c3950-1

HOW SHORTCHANGED JUNK BOND HOLDERS ARE FIGHTING BACK

IF YOU'RE DYING, CAN YOU BUY A KIDNEY?

PRINCES OF INDUSTRY: WOULD ADAM SMITH PAY THEM SO MUCH?

Forbes

THE 800 TOP CORPORATE EXECUTIVES

THE POWER AND THE PAY

♦♦♦♦♦♦♦♦♦♦♦♦♦♦ 5-DIGIT 20814
T2910378 001SZ ZZ 0007
STATISTIC REF INDEX
CONGRESSIONAL INFO SER
4520 EASTWEST HWY
BETHESDA MD 20814

INTENTIONAL
BLANK

Forbes

199

MAY 28, 1990
VOLUME 145
NUMBER 11

THE EDITORIAL INDEX OF COMPANIES REFERRED TO IN THIS ISSUE IS ON PAGES 6 AND 7.

THE POWER AND THE PAY

200 Master Of The Game
By Jerry Flint
W. Michael Blumenthal, one of America's most resilient executives, talks about morality, mistakes, and firing people fast.

208 Just Deserts
How to get high up on the chief executive pay list? Check out the top 25.

210 Would Adam Smith Pay Them So Much?
By Dana Wechsler
New ways to match executives' rewards to their accomplishments.

218 Is There A Doctor In The House?
Twenty-five turnarounds and the chief executives who pulled them off.

266 The Pay
Ranking the 800 top executives.

COMPANIES

38 Southern Pacific Transportation
By Phyllis Berman and Roula Khalaf
It's uncomfortable being a minority partner with billionaire Phil Anschutz. Even for Morgan Stanley.

43 Ames Department Stores
By Subrata N. Chakravarty
Who does the chairman work for?

48 Ingersoll-Rand
By Seth Lubove
How foreign rivals skirt U.S. duties.

52 Golden Harvest International
By Lisa Gubernick
Made rich by Ninja Turtles.

58 Sears, Roebuck & Co.
By Steve Weiner
Look for improvement by year's end.

71 Gulf Resources & Chemicals
By James R. Norman
Corporate looting in Boston.

72 Centex Corp.
By William P. Barrett
This builder isn't worried.

76 Green Tree Acceptance
By Gretchen Morgenson
The touble with mobile homes.

98 Siemens
By Peter Fuhrman
Germany's mired electronics giant.

71 *Happy looting*

136 The Up & Comers: International Process Systems
By Ruth Simon
Getting towns into composting.

142 The Up & Comers: Outdoor Resorts Of America
By Ellen Paris
Where to put your motor home.

146 Western International Media
By John H. Taylor
Why Dennis Holt is still sweating.

168 Crompton & Knowles
By Chris Palmeri
Drab dresser, great manager.

172 Kennametal Inc.
By Reed Abelson
Selling service—and tools.

190 Alamo Rent A Car
By Claire Poole
Low rates, high profits.

322 EnviroSource
By James R. Norman
Thinking long term, profitably.

200 *Morality in the executive suite*

INDUSTRIES

40 Money Talks
By Kathryn Harris
As blacks gain ratings clout, TV networks are paying attention.

42 Bond Bully
By Marcia Berss
Commercial bankers try to take another step onto Wall Street's turf.

320 Uranium Trouble
By Seth Lubove
The Russians are coming!

GOVERNMENT

183 Hands Off My Pork Barrel
By Janet Novack
Veterans Affairs, a horror story.

328 Where Did All The Graffiti Go?
By Daniel Akst
How New York subways got better.

INTERNATIONAL

86 Czechoslovakia's Future
By Richard C. Morais
China, crystal, frosty Budweiser.

106 South Africa: The Real Story
By Betty Franklin
Forget what you see on TV.

124 Houston Of Asia
By Andrew Tanzer
Singapore rides Asia's oil boom.

INVESTING

126 How Shortchanged Junk Bond Holders Are Fighting Back
By Matthew Schifrin
Is debt still an obligation?

180 Collapsing Country Funds
By Nikhil Hutheesing
Who's to blame? All eyes are on Japan.

416 Streetwalker
Fidelity Magellan Fund; Huffy; Delphi Financial Group; Banc One.

MARKETING

336 The Famous And Infamous
By John Marcom Jr.
People love celebrities—even in wax.

COMPUTERS/COMMUNICATIONS

342 Is Someone Listening To Your Computer?
By Kathleen K. Wiegner
Or are you listening to a sales pitch? Also: Family problems nag Kaypro; Commentary by Esther Dyson.

SCIENCE & TECHNOLOGY

365 Can You Buy A Kidney?
By Ronald Bailey
Peddling human organs. Also: Commentary by Michael Gianturco.

PERSONAL AFFAIRS

392 Kennebunkport Ho!
By Evan McGlinn
Don't just gawk at the Bush place. Also: Telling real jade from fake.

328 *Victories underground*

392 *Presidential paradise*

DEPARTMENTS

8 Side Lines
10 Follow-Through
12 The Informer
16 Readers Say
19 Fact and Comment
24 Other Comments
29 Commentary
421 Flashbacks
422 Thoughts

COLUMNISTS

151 Michael Novak
349 Esther Dyson
374 Michael Gianturco
405 Ben Weberman
406 David Dreman
408 Ann C. Brown
409 Mark Hulbert
412 Alan Reynolds

MONEY & INVESTMENTS

33 What's Ahead For Business
34 The Forbes Index
401 The Forbes Wall Street Review
402 World Markets Review

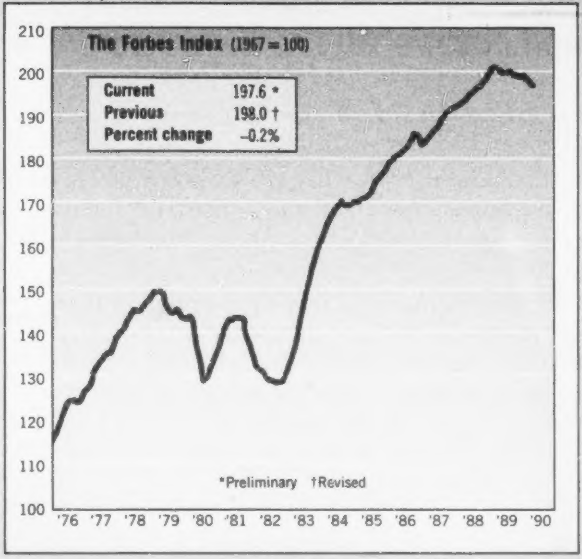
FACES BEHIND THE FIGURES

376 Stephen Wynn,
Golden Nugget
376 Alvin Copeland,
Fried-chicken tycoon
378 L.W. and Melvin Lane,
Lane Publishing Co.
378 Taiken Takaku,
Taka-Q Co., Ltd.

May 28, 1990 Volume 145 Number 11 Forbes (ISSN 0015 6914) is published biweekly except weekly during two weeks in October, by Forbes Inc., 60 Fifth Ave., New York, N.Y. 10011. Second-class postage paid at New York, N.Y. and at additional mailing offices. Canadian second-class postage paid, permit number 9490. Subscription $48 a year, U.S.A. Postmaster: Send address changes to Forbes, 60 Fifth Ave., New York, N.Y. 10011. Copyright © 1990 Forbes Inc. Title is protected through a trademark registration in the U.S. Patent Office.

Cover photo by Ted Morrison; suit by Ermenegildo Zegna and money clip courtesy of Barneys New York

The Forbes Index



The economy is not ready to roll over and play dead. The March decline in the Forbes Index was trimmed from a preliminary down 0.4% to down 0.2%, thanks to a strong showing from several Index components. Personal income, with a 0.5% increase, posted its fourth consecutive monthly gain in March. At the same time, manufacturers' new orders rose 0.7% while inventories slipped 0.6%. The Commerce Department's index of leading indicators, not a Forbes Index component but a popular gauge of economic momentum, jumped 0.9% from February to March.

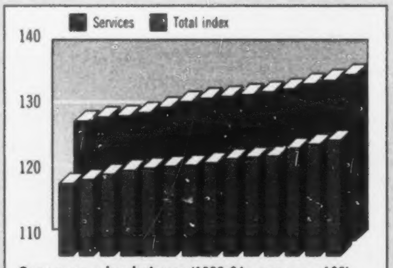
Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	10.0%
Auto sales year to date vs. 1989[1]	Ward's Automotive	−3.0%
Index of leading indicators March vs. February	Dept of Commerce	0.9%
Trade balance last 12 months ending February 1990	Dept of Commerce	−$96 bil
Producer price index March vs. 1989[2]	Dept of Labor	4.4%
GNP 1st quarter vs. 4th—annualized growth	Dept of Commerce	2.1%
NBER Experimental Recession Index[3]	Natl Bureau of Economic Research	5.0%

[1] U.S.- based manufacturers, excludes imports, as of 4/30/90. [2] Finished goods. [3] March 1990.

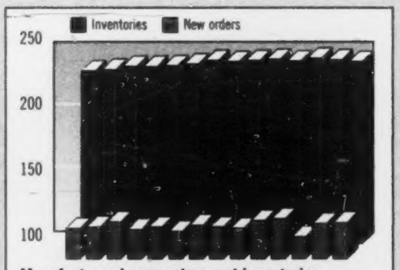
Index Components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

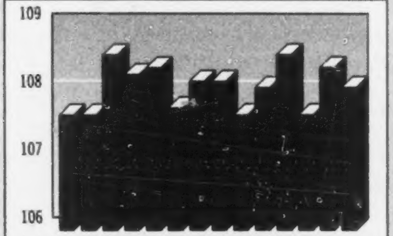
To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.



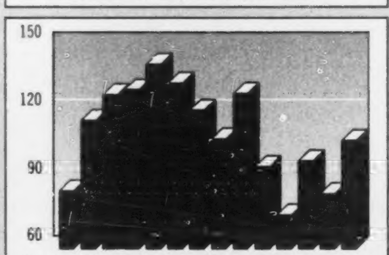
Consumer price indexes (1982-84 average = 100) all urban consumers, unadjusted (Dept. of Labor)



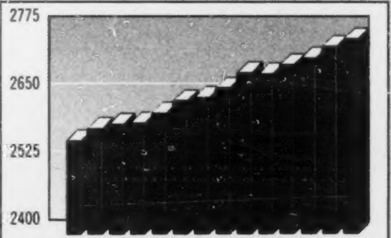
Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



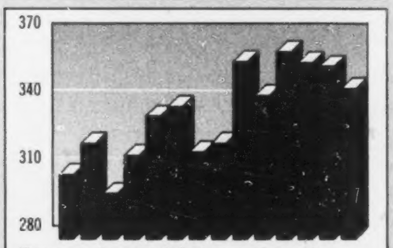
Industrial production index (1987 = 100) seasonally adjusted (Federal Reserve)



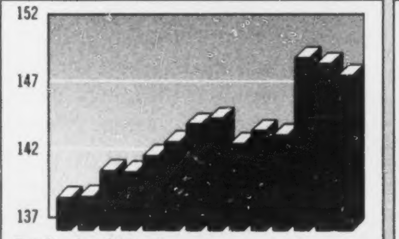
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



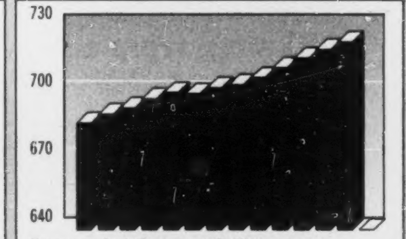
Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



New unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

F M A M J J A S O N D J F M
1989 1990
F M A M J J A S O N D J F M
1989 1990
F M A M J J A S O N D J F M
1989 1990

THE POWER AND THE PAY

A CHAT WITH MIKE BLUMENTHAL 200

THE TOP 25 208

WHAT WOULD ADAM SMITH SAY? 210

25 TURNAROUNDS AND THE MEN WHO RAN THEM 218

THE 800 TOP CORPORATE EXECUTIVES 266

Corporate America's Most Powerful People

Where morality intersects the bottom line: W. Michael Blumenthal, one of the most resilient chief executives of our time, talks about mistakes in his 36-year career, about people who have to be fired, and about America's greatest strength.

Master of the game

By Jerry Flint

MORALITY. An old-fashioned word. What does morality have to do with the fast track and golden parachutes and stiffing junk bond holders? Maybe more than most people think. For one thing, it's the first word W. Michael Blumenthal uses when he thinks about the mistakes and regrets of his 36-year career in academia, business and government. "When did I make my greatest hiring mistakes?" asks Blumenthal, 64. " When I put intelligence and energy ahead of morality."

By morality, Blumenthal isn't referring to some narrow creed but rather to what some would call moral courage or, to use another old-fashioned word, character. He elaborates:

"In choosing people for top positions, you have to try to make sure they have a clear sense of what is right and wrong, a willingness to be truthful, the courage to say what they think and to do what they think is right, even if the politics mitigate against that. This is the quality that should really be at the top.

"I'm saying that I was too often impressed by the high intelligence and the substantive knowledge of an individual and did not always pay enough attention to the question of how honest, how courageous and how good a person the individual really was."

Blumenthal is worth listening to. Considered one of the most resilient executives in American business, he got his first big career break in 1963 when he was chosen as chief U.S. negotiator in the Kennedy Round of international trade talks. He went on to run the old Bendix Corp. in the early 1970s and later served as Treasury Secretary under Jimmy Carter. In 1980 Blumenthal took the helm of Burroughs Corp., merging it with Sperry Corp. in 1986 to form the computer firm Unisys. Since then he has been Unisys' chairman and chief executive officer.

But Blumenthal's primary concern is no longer Unisys or its lopsided struggle against rival International Business Machines Corp. Last month Blumenthal stepped down as chief executive. He will remain as chairman in an advisory capacity but spend most of his time working as a limited partner at investment bank Lazard Frères & Co., where he will help Lazard's New York operation coordinate international deals with offices in London, Paris, Tokyo and Frankfurt.

Very early in life, Blumenthal got a crash course in international relations. His family fled Hitler's Germany before World War II and was trapped in China during the war. He arrived in the U.S. in 1947, a 21-year-old stateless refugee. Perhaps it is for that reason Blumenthal sometimes sees things that others don't. At FORBES' suggestion, Blumenthal recently spent a few hours reflecting on his varied career—in government and out—and on the state of American business.

Listening to Mike Blumenthal discourse about morality, and the need for it on all levels of the business

Geoffrey Biddle

W. Michael Blumenthal, chief executive, trade negotiator, Treasury Secretary

"I don't think that greed is something that reared its ugly head only when somebody invented the junk bond."

UPI/Bettmann

With U.S. delegate William Roth at the trade talks, 1967
Blumenthal led the U.S. in the Kennedy Round.

world, the interviewer remembers that while Blumenthal headed Unisys it was involved in a Pentagon scandal, during which some of his employees pleaded guilty to bribing government workers for confidential weapons procurement data. He remembers, too, that Blumenthal's handpicked successor at another company destroyed that company—William Agee and Bendix. The Bendix-Allied-Martin Marietta drama still stands out as one of the earliest—and craziest—of the takeover wars.

"The facts and the circumstances of Bendix' demise was one of my greater frustrations and disappointments," Blumenthal confesses. When it comes to hiring senior executives, Blumenthal adds, "it's hard to be sure, and therefore you make mistakes. Any chief executive that tells you he bats 1.000 in choosing people is a liar. If you bat clearly better than .500 you're doing very well.

"First of all, you have to give yourself plenty of time to observe a person. Second, you try to test him, make sure that you ask yourself that question about common sense and morality more deliberately, rather than not focus on it. It's very difficult. Sometimes when I would evaluate a person I would say, 'Boy, this guy is smart. Boy, this guy knows his stuff. He knows his brief. And boy, he's energetic. He's good in that job. Let's promote him.'

"Obviously, if I knew he was a crook I wouldn't have promoted him. But I didn't really stop to say, 'Now, there is another requirement. What do I really know about him? Do I really know enough? Do I really know that he can handle the pressures and temptations?' I didn't even think about it. I was dazzled, occasionally, by these other qualities.

"But when it comes to the very top jobs where people have responsibility for a lot of people, you can't be sure. When the board of directors picks a chief executive, for example, or I recommend a successor, which I've had to do more than once, you are obviously gambling. Nobody can be sure. Because it is a unique job and you haven't seen the person in that job.

"Particularly the chief executive job, that's a role unlike any other. Because you see, all the way up to the chief operating officer, there's someone above you. But when you are the chief executive, the prime control and the prime governor is your own inner conscience, your sense of what is appropriate and what is not, what is right and what is wrong, what is moral, what is immoral. You have a lot of potential power for good or for bad.

"How will you exercise that power? No one will know until you've got the job. So it's pretty important to ask that question deliberately and consciously to yourself as you choose people for the top executive jobs."

Blumenthal has made his share of hiring mistakes, but he has a reputation for correcting them—fast—by firing people. He knows that every chief executive who does his job right has to fire people. His point is that it doesn't pay to dawdle: "When I became the chief executive of Bendix in 1972 I knew there was a very senior executive who I felt was quite inadequate and should not be in that job or should have been removed. But he had been a close associate of my predecessor and I had a tremendous respect for my predecessor. So I took over, and I waited a year.

"But in that year the operations he was responsible for suffered and we lost profits and we lost business. Finally, I went to my predecessor, who was still on our board, and said, 'You're not going to like this, but Mr. X is your good friend, and I'm going to have to let him go.' And I was very nervous about it.

"He looked me in the eye and said, 'Mike, I was waiting for you to do that. I knew this had to happen. I agree with you. But I was goddamned if I was going to do it at the end of my career.'

"I'm not a sadist. I've always hated firing people, but there is one mistake I made, and I made it more than once. When I knew I had to fire someone, I tended to drag my feet. I dreaded it. All the rationalizing that I did—'Well, let's wait another three months'—was really just that, just procrastination. I'd say in the end I did it anyway, and once it was done I always looked back and said, 'Why the hell did I wait that long?' If I had done it sooner I could have saved myself and the company a lot of trouble.

"I said to my successor at Unisys, [James A. Unruh], when you come to a decision to change the management structure, have the guts to move fast. My experience has been that waiting doesn't do any good."

Blumenthal has had the reputation of being smart but impatient—some would say arrogant.

"They say I don't suffer fools gladly. It's one of the elements of my personality that makes it difficult for some people to function with me. I don't look at myself as being too intelligent. There are a lot of people I know who are a lot smarter than I am. But I have trouble with people when I think they don't know what the hell they're talking about.

"What I lack is probably the patience to hear them out and the charity to compliment them for their effort. But at 30 I was probably a lot worse than I was at 60. I admire people who are very charitable and very patient. I tend to be somewhat more abrupt and impatient, and say, 'Listen, you're not making any sense. Let me tell you why, One! Two! Three! Four! Five!' Some people are intimidated by that kind of thing."

UPI/Bettmann

Leaving Jimmy Carter's Treasury Department
"In government there's no bottom line."

With all his talk about morality and personal character, Blumenthal does not join the chorus that says things are getting worse in those respects in business. He doesn't buy the media cliché about the decade of greed.

"I don't think that greed is something that reared its ugly head only when somebody invented the junk bond. As one of my former bosses in the government used to be fond of saying, 'Remember that behind every position of principle there normally resides a very specific selfish interest.' It's either money or power. So greed is nothing new."

What about those fat corporate salaries that are featured in this issue of FORBES?

"Top executives should be paid well in this society. They do important jobs. Take the 100 largest corporations and you'll find that the senior executives make somewhere between $700,000 and $800,000 in a bad year to $3 million in a good year, or typically $1.5 or $2 million."

Wouldn't it be fairer to tie executive compensation to the performance of the company's stock? Blumenthal doesn't agree.

"I think stock is grossly overrated as a motivating factor. First of all, I think that a person who holds a very senior or chief executive job would not work any less hard if he had less stock, or less effectively. Second—and I'm not talking about a real turnaround situation but a typical situation—the direct connection between a chief executive's action and the price of the stock is very, very, very imperfect. The market may go down for three years, even though he's doing everything right. So I think that a salary, a decent salary, competitively arrived at, plus a bonus for results, is a good motivator.

"Unisys last year lost a lot of money. I got no bonus. That's the way it ought to be. And my salary was $725,000. For that job, $725,000 is not competitive pay. But under the circumstances, that's all I should have gotten.

"What do I have, maybe 45,000, or maybe 60,000 or 70,000 shares of Unisys stock. That's nice. Now would I have worked any less hard if I had 100 shares? Hell no, I don't believe so. I'm not arguing against stock ownership, and I'm not saying that executives should own stock. What I'm saying is that this is not the critical motivating factor."

As a refugee Blumenthal experienced other societies, and perhaps that is why he doesn't share the pessimism about the future of the U.S. that is so popular in media and academic circles.

"The most wonderful and most important thing about this country that greeted me here when I came, that was a constant part of whatever I did in all the different jobs that I had, and that is as true today as it was then, is that in this country people are accepted for what they are. People are judged by what they can do and are accepted for what they can do, and not for who their father is or where they came from. That was why I was able to develop my talents.

"It is that openness of American society which is unique in the world. It remains a hallmark. It is a tremendous plus for this country, and it's as true for a Cuban refugee who came in the Sixties as it is for a Vietnamese refugee who came in the Eighties, or a Russian who's coming in the Nineties.

"I recall that from 1947 to 1950, when I was an undergraduate at Berkeley, occasionally people would say to me, 'Well, it is an open society, but certain jobs for a Jew are hard to get, or unlikely.' I remember their saying that that applied to Ivy League universities. They also said that applies to top jobs at the big American corporations [like Bendix and Unisys]. I'm a very good demonstration that this was not the case."

Indeed. Not only did Blumenthal run Bendix and Unysis, but he earned his masters and Ph.D. from Princeton and taught there early in his career; he will return this fall to teach again and write on international economics.

Of course, Blumenthal knows racial and sexual discrimination exist. But he points out that most of us just read about complaints and charges. We don't think of the tens of millions of women and blacks being promoted, being encouraged to use their full talents, for the first time in modern history. Says Blumenthal, "Blacks and women today are judged more and more by what they can do and not by who they are."

But neither is Mike Blumenthal a flaming optimist about the U.S. "I am increasingly concerned that the quality of public and private management in this country . . . in comparison with other countries, is declining. We're not managing our affairs as well as we should.

"We cannot deal effectively with fiscal policy. We run up huge deficits and borrow from our children and grandchildren so we can consume today. We cannot organize our affairs so that we accumulate capital. We are not providing for the same quality education for our children as some other countries do. We are unable to cope with drugs and the homeless and the decay of the cities and the infrastructure of this country, as we were effectively able to do in the Fifties and Sixties.

Andrew Popper/Picture Group

With Sperry Chairman Gerald Probst at the 1986 merger
But Unisys isn't Blumenthal's last chapter.

"We have in our history gone through periods of mediocrity. We have generally moved from that into periods of dynamism and innovation, both social and economic innovation. I'd like that to happen again sooner than later."

As a man who has occupied top jobs both in industry and in government, how does he view the differences? "The difference between working in government and working in business has to do with appearance and reality. In government, appearance is as important as reality. In business, the reality, the bottom line, determines whether you're successful or not. You can fake the profits only so long. But in government there's no bottom line, so you can be successful as long as you continue to seem successful; you can be powerful as long as you appear to be close to the power."

Blumenthal spent a total of ten years in government, first in the Kennedy and Johnson administrations and later as Treasury Secretary under Carter. As for chief executive duty in the corporate world: "After two tours, a total of 20 years running major U.S. corporations, it's time for a change." That's not too different from Ford Chairman and Chief Executive Donald Petersen, who quit earlier this year, saying ten years was enough in the top job; now he wants to "repot" himself.

After an era where many a hired manager fought his whole career to get to the top of a FORBES 500 company and then held on as long as he could, attitudes may be changing. Is it that executives like Blumenthal and Petersen are less addicted to power than were their predecessors, or are they simply better able—financially—to walk away from the corner office? The trend, however incipient, bears watching.

Blumenthal certainly doesn't seem to miss the power. Sitting in his spartan office at Lazard Frères' Rockefeller Center headquarters, he takes a puff on his cigar and chides FORBES. Why is it, he wants to know, that our tone seems to suggest he is washed up at age 64?

Good question. In addition to teaching, Blumenthal sees one of his biggest tasks as getting Lazard Frères' far-flung offices to work together in a world where national borders count for little. "Right now they are separate firms, really doing their own thing," he explains. "We see great opportunity in leveraging each other's position in these various markets—in cross-border investments, in the dissemination of technology, in industry restructuring on a world scale."

Adds Blumenthal with his enthusiastic smile, "It's exciting to try a new incarnation." ■

Corporate America's Most Powerful People

How do you get to the top of the chief executive pay list? One way is to whip a blue-chip company into shape. Another is to get in early on a stunning startup.

Just deserts

By Dana Wechsler

CRAIG MCCAW has gotten more attention than he enjoys the past few weeks for being America's highest paid chief executive. Last year he earned $54 million.

It's hard to argue, however, that McCaw is overcharging his stockholders, since he himself is one of the biggest, holding 9.8% of McCaw Cellular Communications stock, a stake valued at about $400 million. His three brothers together own an additional 20.2%. Almost all of Craig McCaw's net worth is tied up in the company, which his father founded in the early 1950s.

Craig McCaw's salary, says company Vice Chairman Wayne Perry, "pales in comparison to what the stockholders get."

In fact, under McCaw's guidance the value of the company has risen from $27 million in 1980 to about $4.6 billion today. As for McCaw himself, he took a salary and bonus of only $289,000 last year, about a third of the average on this year's list of the 800 top-paid chief executives. He got his $53.6 million windfall by exercising stock options on 1.5 million shares given to him in 1983 and 1986. Why was he given the stock options? Because he led the team that transformed the company from a sleepy cable television firm into a cellular phone outfit.

The other big stockholders on this year's top 25 list *(see chart)* are Paul Fireman, chief executive and 14.7% owner of Reebok International, and Saul Steinberg, who runs Reliance Group. Fireman made more than $14.5 million last year, but his Reebok holdings are worth $290 million and his shareholders fared very well.

Steinberg hasn't done much for his shareholders lately, but if he's overpaying himself at $6 million-plus, he is the chief loser: He owns 60% of the company.

Almost half the chief executives who made this year's top 25 list run companies that have been among the blockbuster growth stories of the 1980s: Lotus Development, Reebok, MCI Communications, Toys "R" Us. Together these men helped create $20 billion in stockholder value over the past decade. So paying $5 million or $10 million a year doesn't really seem so expensive.

Note well: You can still be an organization man and get to the top of the compensation charts. Look at Louis Bantle at UST, Hamish Maxwell at Philip Morris, Roberto Goizueta at Coca-Cola, Roy Vagelos at Merck. All rose through the ranks, and all have taken blue-chip American companies and made the most of them.

Sure, there are abuses in chief executive pay scales, but a lot of well-paid chief executives have earned every dime they got paid. Those who create wealth are entitled to share in it. That's what a market economy is all about. ■

	Compensation*				
Company/chief executive	sal + bonus	% change	other	stock gains	total
McCaw Cellular/Craig O McCaw	$289	–5%	—	$53,655	$53,944
LIN Broadcasting/Donald A Pels	1,363	32	—	21,428	22,791
Lotus Development/Jim P Manzi	991	NA	$49	15,372	16,412
Reebok International/Paul B Fireman	14,606	28	—	—	14,606
BHC Commun/Herbert J Siegel	13,687	NA	14	—	13,702
Freeport-McMoRan/James R Moffett	1,359	–13	1,086	11,072	13,517
Torchmark/Ronald K Richey	1,084	35	48	11,588	12,719
Great A&P Tea/James Wood	3,193	59	2,024	5,900	11,117
Coca-Cola/Roberto C Goizueta	2,542	17	2,400	5,872	10,814
Walt Disney/Michael D Eisner	9,589	28	6	—	9,595
Anheuser-Busch Cos/August A Busch III	1,464	–5	21	7,397	8,882
MCI Communications/William G McGowan	1,325	–2	—	7,341	8,666
Ogden/Ralph E Ablon	2,000	–3	284	5,015	7,299
Merck/P Roy Vagelos	2,340	46	5	4,423	6,769
Wal-Mart Stores/David D Glass	600	—	30	6,129	6,759†
Reliance Group/Saul P Steinberg	6,265	39	281	—	6,546
Philip Morris Cos/Hamish Maxwell	1,877	13	1,771	2,805	6,453
UST Inc/Louis F Bantle	2,126	23	22	3,635	5,783
Morgan Stanley/S Parker Gilbert	5,475	24	20	—	5,495
Alexander & Baldwin/Robert J Pfeiffer	1,473	11	509	3,476	5,459
Toys "R" Us/Charles Lazarus	5,277	19	16	—	5,293
ConAgra/Charles M Harper	1,444	10	3,085	723	5,252
Interpublic Group/Philip H Geier Jr	1,705	NA	3,320	—	5,025
Paramount Commun/Martin S Davis	4,095	11	865	—	4,960
Ralston Purina/William P Stiritz	1,064	3	53	3,790	4,907

*All dollar amounts in thousands. †Prior-year data. NA: Not available.

Corporate America's Most Powerful People

Warren Buffett loves writing big checks for his executives. He worries more about the ones who earn skimpy rewards. How can companies better match executive rewards to executive accomplishment?

Would Adam Smith pay them so much?

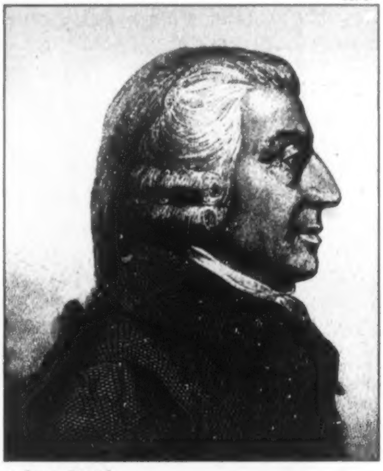
By Dana Wechsler

ON THE MORNING of Jan. 11, 1989, the four directors of the Walt Disney Co. who constitute the company's compensation committee sat behind closed doors at Disney headquarters in Burbank, Calif. Before them was a sheet of paper summarizing the terms of a new ten-year contract for Michael Eisner, 48, Disney's chairman and chief executive officer.

Speaking to the four directors by telephone, broadcast through a speaker so that all could hear, was Graef Crystal, 56, an executive compensation consultant. "If you are not comfortable with the notion that Michael Eisner may end up the highest-paid executive in the world again, and maybe by a considerable margin, then for God's sake don't approve this contract," Crystal warned.

In 1988 Eisner made $40.1 million in total compensation, putting him at the top of the pay charts. Newspapers announced it in headlines and television's highly paid talking heads had a field day talking about corporate greed. The publicity was terrible, but the fact remained that Eisner had turned Disney from a so-so company into a money machine. Since he joined the company in 1984, profits had increased from $108 million to $520 million, and the stock had ascended from $14 a share to $65. According to calculations by Crystal, Eisner had created an extra $5 billion to $6 billion of market value for shareholders, over and above normal returns of, say, 14% a year.

Culver



Adam Smith

Will the invisible hand pinch pay?

The new contract, which the committee approved, called for Eisner to get an annual salary of $750,000, 2% of aftertax profits when return on equity exceeds 11%, and 2 million shares of stock options. But it also made him assume more risk.

How so? For one thing, his bonus hurdle was raised. He still receives 2% of aftertax profits, but only those profits in excess of an 11% return on equity; that compares with a 9% hurdle before, and it's pretty tough. Most companies give executives bonuses based on return on equity about 6%.

Says Crystal, "If Eisner generates a 15% return on equity, his compensation will be less than under his old contract. But if his level of past performance continues, he may become the highest-paid chief executive in the world."

Fair enough. Eisner won't get huge rewards simply for sitting back and coasting on past accomplishments. With other compensation thrown in, the new contract brought Eisner just short of $10 million last year. Because he didn't exercise as many options as he did the year before, he dropped from first place to tenth on the all-American executive compensation list. This year others would take the heat as "greedy."

Greed? The word fits nicely in headlines and rolls easily off the tongues of $2-million-a-year TV newsreaders, but it really has no meaning when it comes to paying someone in a free market system. A dictionary definition of greed is "a rapacious desire for more than one deserves." But what does a high-performance executive deserve? Less than a top-line rock singer, movie producer, dealmaker or TV personality? Is a high-paid executive greedy but a line worker who goofs off on the job not greedy? When talking about such things most people forget how a market economy works.

Warren Buffett, the most successful investor of this era, has strong ideas on the subject of executive compensation. "If I owned all of Disney," says Buffett, "it wouldn't bother me one bit to write out a check for $40 million after what Eisner has done. What bothers me is paying $2 million to some guy who hasn't done anything. You'll never pay a really top-notch executive—Roberto Goizueta at Coke, Tom Murphy and Dan Burke at Cap Cities, or Eisner—as much as they are worth. A million, $3 million or $10 million, it's still peanuts. The problem is, executive compensation is too homogeneous. We're paying the .200 hitters too close to the .350 hitters."

The problem, then, isn't greed—how many people do you know who will turn down raises or tear up winning lottery tickets? The problem is figuring out who deserves what. That's what a market system is all about. Unfortunately, executive compensation isn't always decided by market forces.

"If you let all of the baseball players in the country decide for themselves how they would be compensated, you might have an illogical compensation arrangement there, too," reflects Buffett. "An entirely different attitude prevails toward executives than toward every other factor of production. When you are buying raw materials, renting property or hiring labor, you try to make sure you get absolutely top value per dollar paid. But the same market forces don't come to bear on top management."

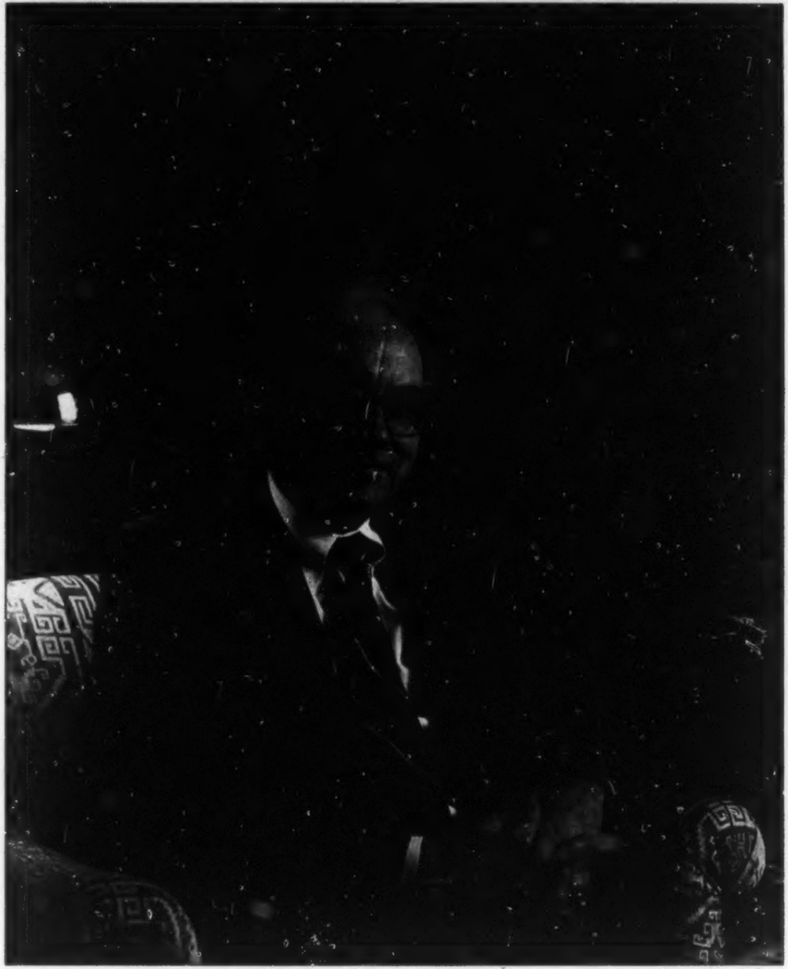
This is borne out by research conducted by professors Michael Jensen of the Harvard Business School and Kevin Murphy of the University of Rochester. Their work suggests that over the past 15 years all the talk about "pay for performance" has been mostly a cover for raising executive compensation. In fact, the compensation of the chief executives of the country's 250 largest corporations has been no more variable than the pay of a random sample of hourly and salaried workers—albeit at a much higher level.

Jensen and Murphy compared how chief executive salaries and bonuses have changed in relation to their companies' market values. A chief executive who spent $10 million on, say, redecorating the executive suite may have been wasting money and reducing the company's value, but the executive's salary and bonus would typically drop only $670 as a consequence, Jensen and Murphy found.

Compare that with Buffett, who holds a 45% stake in Berkshire Hathaway. If Buffett makes a bad decision or spends corporate money on a company ski lodge, 45 cents out of every wasted dollar comes right out of his net worth. That's a lot more than the $670 mentioned above—$4.5 million, to be exact.

That's why executive compensation is so hard to figure properly. Rarely today are executives also major owners. Rarely does their decisionmaking bear directly and immediately on their net worth. In 1932 economists Adolf Berle and Gardiner Means came out with their now-classic book, *The Modern Corporation and Private Property*. They wrote about a silent revolution that was as yet unrecognized, "the translation of perhaps two-thirds of the industrial wealth of the country from individual ownership to ownership by the large, publicly financed corporations." Today that's higher still.

This shift in ownership, as chronicled by Berle and Means, was leading to vital changes, including the emergence of "princes of industry" who were coming to manage huge aggregations of industrial wealth in which the investors had surrendered control. The princes of industry expected to receive a greater share of the returns than mere managers had received in the past.



Louie Psihoyos/Matrix

Berkshire Hathaway's Warren Buffett
It wouldn't bother him to write out a $40 million check for Eisner.

Berle and Means recognized that this situation, wherein ownership was partly divorced from control, would lead to a situation where the compensation of top executives would be determined as much by executive fiat as by market forces. To bolster their view, they drew on no less an authority than economist Adam Smith.

Smith had explained that the financial self-interest of every person, when left unfettered, will result in the optimal fulfillment of human desires. But in a little-noted passage in his 1776 treatise *The Wealth of Nations*, he stated emphatically that the invisible hand applied only to enterprises that were owned and managed by the same person, and not to publicly financed corporations. Of professional managers Adam Smith wrote: "Being the managers rather of other people's money than of their own, it cannot well be expected that they should watch over it with the same anxious vigilance. . . . Negligence and profusion must always prevail."

The solution, as suggested by Smith and refined by Berle and Means: Make managers feel the same rewards and the same pain as owners. Give them huge rewards when they enrich the shareholders and huge penalties when they fail them. To a degree this has been accomplished through the massive restructuring of recent years and the spread of leveraged buyouts.

But most big businesses today are still run by hired managers rather than owners. Yes, managers can be disciplined by stock options and variable bonuses. And there is the occasional firing of a chief executive. But consider this: The 800 chief executives listed in this issue made an average of almost $1.4 million in total compensation last year, more than double the $620,000 they made in 1985. For the same period earnings of the Forbes 500 most profitable companies rose only 40%.

With the advice of compensation consultants, a few boards of directors are beginning to bring the invisible hand more forcefully into the executive suite. New compensation plans are making executives share the downside as well as the upside. In short, paying them more like owners.

Ken Kerbs

Texaco's James Kinnear

You want perks? Make the money and buy your own.

Warren Buffett practices what he preaches. At his Berkshire Hathaway base salaries of Buffett's senior executives are low; the highest last year was $250,000. (Buffett's salary is $100,000.) Stock options are nonexistent, because Buffett believes that each person should be rewarded based strictly on his individual performance, not on the performance of the company as a whole.

But bonuses can be substantial. Last year several Berkshire Hathaway executives whose base salary was $250,000 received bonuses of $2 million. Others received zero.

Says Buffett: "Forty-five percent [of any bonus] comes out of my own pocket, but I love it. It's the guy who doesn't get a bonus check who bothers me."

Texaco, long one of the worst-run companies in the oil business, has been pulling up its socks since narrowly escaping a grab by raider Carl Icahn. Texaco overhauled its pay plan early last year, summarily removing a legion of senior executive perks and replacing virtually automatic bonuses with a plan that could pay out big bonuses—or none at all—depending on an individual's performance.

In the past, Texaco had been the very model of what Berle and Means described and what Warren Buffett laments: a company run for the principal benefit of those who ran it. Although Texaco executives received salaries and bonuses slightly lower than most of their competitors', they scarcely had to worry about performance targets or keeping their jobs. Bonuses were effectively guaranteed, and senior executives enjoyed all sorts of lucrative perks, including company cars and a special health benefit plan under which the company covered all medical and dental bills and provided special insurance coverage.

In 1987 James Kinnear, then a 33-year veteran of Texaco, took the top job. He knew the company needed shaking up. He brought in a New York-based compensation consultant, Frederick W. Cook & Co.

Kinnear knew that compensation consultants work for and are paid by management; it is a rare consultant who comes up with recommendations unpopular with senior managers. Kinnear and Robert Beck, former chief executive of Prudential Insurance Co. and chairman of Texaco's compensation committee, tried to eliminate this conflict of interest. They gave explicit instructions to the Cook consultants: They were working *with* management, but *for* the compensation committee. Says one compensation consultant, "For a consultant, that provides a great suit of armor."

Texaco's resulting compensation plan was launched on the first of last year. To make the changes palatable, stock options were instituted and salaries were raised slightly—about 10% for senior executives. The total bonus pool was increased, from 1% of net profits to 1% of net profits up to a return on equity of 6%, and 3% of net profits above that.

But, senior executives were told, they were going to have to give something in return. Bonuses would be earned only by meeting strict corporate and individual performance measurements. In Kinnear's case, the requirements were tough. One of them: Unless Texaco's return on capital exceeded competitors in the oil business, Kinnear would not be paid his full bonus.

Almost all of the Texaco executives' perks were taken away. The message? "If you want these things, we're giving you an opportunity to make the money and buy them on your own," explains Carl Davidson, Texaco's vice president and secretary.

In terms of stock compensation, Texaco senior executives could expect to reach their old levels only if the stock price grew at 9.5% a year, far higher than Texaco's average annual price appreciation from 1983 to 1988.

So it is clear that an effort is being made to introduce market forces into the executive suite. In an article in the current *Harvard Business Review*, professors Jensen and Murphy figure that Michael Eisner's salary and bonus under the new compensation package are ten times more sensitive to corporate results than the median chief executive of the country's 250 largest corporations.

Contracts like Eisner's might help solve one of the thorniest problems facing American business today: making sure that a chief executive and all other top executives are compensated in at least rough proportion to the results they achieve rather than merely being rewarded for reaching the top. Moving into the executive suite should not be seen as the payoff for past services but rather as the beginning of the ultimate challenge.

J.B. Diederich/Contact

Walt Disney's Michael Eisner
Under his new contract, he assumes more risk.

Unfortunately, it will never be possible to create a perfect equation of risk and rewards in giant corporations where ownership is widely dispersed. For example, many chief executives are called upon to make decisions with consequences that may not be measurable by the bottom line numbers for many years into the future. This is not as serious a problem in private companies, where the owners know that their heirs will suffer if they make a bad decision. But in big public companies there will always be a temptation for the chief executive to tailor his decisions to ensure a comfortable tenure for himself and to devil with the long future.

A question that no one can answer satisfactorily: How do you evaluate a decision that penalizes earnings for a few years but is intended to save the company in the future? Any such judgment will always be highly subjective. Too narrowly applied, these attempts to equate executive risk with executive reward could lead to the last thing American business needs: increased pressure for short-term results.

But greed is a red herring. A market system works on the principle of maximizing social gains by encouraging individuals to maximize their individual gains. Warren Buffett dismisses the greed argument by saying: "Then you get into whether it's right to pay Mike Tyson that much to fight or Frank Sinatra that much to sing. This is a market economy." In a market economy, the problem in executive compensation is not the often-asked "How much is too much?" but rather how do you measure correctly a sometimes intangible human contribution to a complex task? ■

The high price of advice

A lot of people ask whether chief executive officers are paid too well for their services. But what about boards of directors? How well are they paid?

Very well, according to a FORBES survey analyzing the proxies of the 800 corporations listed in this issue. For example, just for being on the board, Time Warner directors get $60,000 a year in cash and restricted stock. On top of that, they get $2,500 for attending each special board meeting. Doesn't sound like a board likely to give strong-willed Co-Chief Executive Steven Ross much argument.

Company	Minimum outside directors' fees
PepsiCo	$65,000
Time Warner	60,000
IBM	54,700
Coca-Cola	54,600
Exxon	52,000
Atlantic Richfield	51,000
Primerica	50,000
Gannett	48,750
Sears, Roebuck	48,100
American Express	48,000
Bally Mfg	47,000
Masco	46,750
ConAgra	46,000
Amerada Hess	45,750
Eastman Kodak	45,200

Another sweet seat is Exxon. Outside board members at the oil giant get $52,000 a year. But we checked Exxon's proxy a little closer and found a sweetener: In 1989 board members who were not Exxon employees were awarded 1,500 shares of stock. That's a $75,000 windfall, based on Exxon's 1989 closing price. And Exxon is not alone. A year earlier PepsiCo rewarded its loyal outside directors with as much as $150,000 in stock.

The most generous corporations typically offer another perk for outside board members: a retirement plan. At Eastman Kodak, for example, outside directors who have served at least five years on the board receive annual "retirement" payments equal to about half the base compensation they got as directors. Gannett starts with a 50% retirement benefit for five years of service and increases this to 100% for ten-year veterans.

The table lists the 15 best-paying board positions found in our research. The figure cited for each company is the minimum compensation a person could expect from being an outside board member. But it is not unusual for outside directors to pull down thousands more by serving on finance or compensation committees.

We're not saying that these folks are not worth what they are getting. But how likely are they to question the hand that feeds them?—**Warren Midgett**

For chief executives, turning around a troubled company is the toughest task by far. Here are 25 who did it—with stellar results.

Is there a doctor in the house?

By Reed Abelson, Edward Giltenan, Spyros Manolatos and Katarzyna Wandycz

Are chief executives worth the big paychecks they often draw? Some are, some aren't. Among the ones who do earn their keep—and more—are those chief executives who succeed in taking a troubled company and restoring it to health. In doing so they may save thousands of jobs, help keep the flag of U.S. industry flying, and, for their stockholders, create hundreds of millions, even billions, of dollars in market value. Who would begrudge such talented individuals a handful of millions in a society that rewards TV newsreaders, second-rank rock 'n' rollers and negligence attorneys on a far grander scale?

Those who guide a successful turnaround often pay a heavy toll in too-long hours, ceaseless travel, stressful decision making and taking the heat for measures that cause friends and associates great pain. Often thousands of people must be laid off, old businesses closed and new ones bought or started from scratch—with no guarantee of success. This is the stuff that can cause ulcers and sometimes heart attacks. William McGowan, chief executive of MCI Communications Corp., was unable to be interviewed for his profile; he suffered a heart attack in 1986, had a heart transplant and is now recovering from chest surgery.

The 25 chief executives profiled in the following pages head companies that have achieved impressive turnarounds during their stewardships. As a group they earned over $50 million last year. That came to an almost invisible proportion of the value of the jobs they saved, the market value they created.

If, as many people hope, the painful corporate restructurings of the 1980s have better prepared U.S. industry for the 1990s, it was the work of people like those listed below who were the sometimes unsung heroes.

Stick with the doll that brung ya

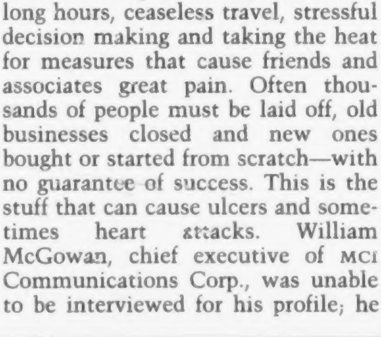
John Amerman bristles at the suggestion that Mattel has not had any blockbuster toys lately. "I show skeptics the Barbie numbers. That's my definition of megahit," says Amerman, 58, chief executive of the once troubled toymaker.

Barbie? A megahit? Not compared with the Cabbage Patch dolls of 1984 or today's Teenage Mutant Ninja Turtles. But Barbie's numbers do look good: Cabbage Patch has faded and the Turtles have yet to demonstrate staying power. Since 1987, when Amerman took the reins at the Hawthorne, Calif.-based toy firm, Barbie sales have increased 40%, to $600 million last year. Introduced in March 1959, Barbie has grossed billions of dollars for Mattel over the past three decades.

Under Amerman, Barbie is lending her name to everything from notepads to perfume. Fashion designer Bob Mackie came up with a gold-sequined gown for a Barbie doll that retails for $120. Amerman has gotten mileage out of other favorites like Hot Wheels matchbox-size metal cars.

In yet another exploitation of the golden oldies, Amerman signed a deal in 1987 to make infant and preschool toys based on popular Disney characters like Mickey Mouse and Donald Duck. Last year the Magic Kingdom line raked in $135 million.

Mark Sennet



John Amerman

Mattel

$1,737,000

So far, so good. Mattel earned $80 million last year, and earnings are expected to rise 30% more this year. Mattel's stock, which sank as low as 6¼ in 1988, recently traded at 22.

When Amerman took over three years ago, he could see the company had grown fat—its overhead was high and new toys were flopping. In 1985 Mattel had bet heavily on miniature action figures like Masters of the Universe. But they fizzled, leaving Mattel with truckloads of unsold inventory. In 1987 things had gotten so bad Mattel reported a record loss of $113 million.

As is common for rising young executives, Amerman made a name for himself running overseas operations. In the seven years before stepping into the chief executive's slot, he quadrupled Mattel's international sales by pushing old favorites. He figured the same strategy could work in the U.S., and he was right. Instead of gambling on risky new product introductions, which can bomb totally, he concentrated on exploiting proven successes. Barbie is the classic example.

But turning Mattel around wasn't simply a matter of dusting off proven performers. Amerman stepped up market research and sharpened Mattel's advertising, testing every commercial for effectiveness before it airs.

Twenty-five years ago Amerman helped create the popular White Knight commercial for Colgate-Palmolive's Ajax detergent. Today, unprompted, Amerman belts out the tag line: "Stronger than dirt."

Making prairie dust into gold dust

For a man making fat profits, Hans Becherer sounds awfully worried.

"It's part of my challenge to make sure complacency doesn't set in, to maintain a sense of urgency as we pursue excellence," says Becherer, 55, chief executive of Deere & Co.

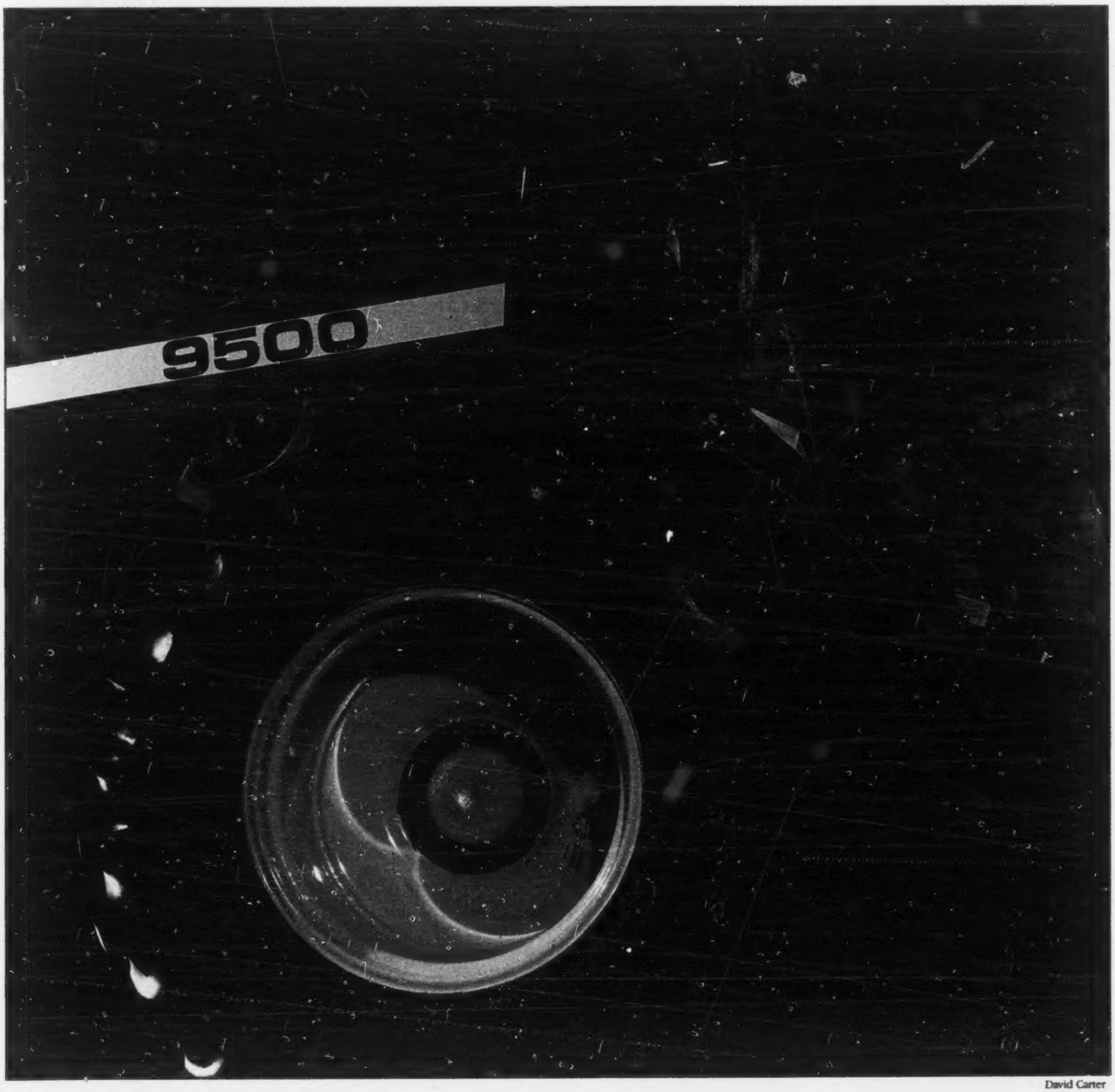
But complacency was the least of Deere's problems earlier in Becherer's stewardship. For much of the 1980s, farm equipment was in a recession bordering on depression. Deere lost over $200 million in 1986. Sales slumped 13%, to $3.5 billion.

But Deere was better positioned than many competitors to withstand the long dry spell in the U.S. farm economy. Deere held a strong presence overseas, and this paid off in the lean years. Even when many U.S. farmers couldn't scrape together enough money to buy a pitchfork, counterparts in Germany and Australia were expanding. This shows in Deere's results: Foreign sales have

Hans W. Becherer

Deere & Co.

$978,000



David Carter

more than doubled since 1984, while U.S. sales have gone up by only 40%.

Deere's diversification into financial services and insurance helped offset the weakness in the company's core U.S. business.

Under Robert Hanson, chief executive until last year, Deere learned how to make more from less. It cut its work force by 40% and continued heavy capital spending. Rather than close plants, Deere chose to "downsize in place," shutting down only unneeded sections of many factories.

Management was careful to cut fat, not muscle. R&D, which costs Deere about $200 million a year, was left intact. Product development remained a priority, including home gardening equipment, where Deere was making a name for itself. Nothing like one of those tiny Deere tractors to make cutting the lawn fun again.

As Deere struggled with the slump, rivals were decimated. Deere's number two and three competitors, International Harvester and Massey-Ferguson, were swallowed up. Harvester's farm machinery business was sold to Tenneco. Smaller farm machinery companies went out of business.

So when the rain finally fell on Deere's parched market, the company was in a position to reap what it had sown. Deere had the capacity and the products, and bounced back with the market. With industry volume up just 20% from its 1986 trough, Deere last year brought in profits of $380 million on revenues of $7.2 billion. Shareholders are getting a nice slice of the bounty, too; Deere stock rose to a recent 74, triple its 1986 low.

Worry, worry. Now Hans Becherer is worrying about getting complacent. Says he, "It is the prudent and wise and visionary management that is able to energize a corporation to keep improving, even in good times."

"I wasn't wedded to the past"

Stroll down the aisles of any supermarket, and you are likely to see the turnaround strategy of Reynolds Metal Co. Near the company's old standby, Reynolds Wrap aluminum foil, the shelves are stacked with Reynolds plastic wrap, Reynolds sandwich bags, Reynolds freezer paper and Reynolds storage bags. Line extension, it's called in packaged goods, but metals producers never used to think like packaged goods producers. Now they do.

Soon there will be many more Reynolds packaging products, vows William Bourke, 63, the company's chief executive since 1986. Bourke came to Reynolds in 1981, having been passed over for the presidency of Ford Motor Co. Says he, "When I joined Reynolds I didn't know much about the aluminum industry. But I quickly realized that Reynolds' brand in packaging—the oldest and best-known name in aluminum foil—was an asset that we could build on."

Last year consumer products brought in some $725 million, or about 12% of Reynolds' $6.2 billion in total sales. Bourke hopes the figure will grow to $1 billion soon with the introduction of garbage and trash bags—plus an acquisition or two.

While rivals like Alcoa and Alcan Aluminium sell the bulk of their output as aluminum sheet or ingot, Bourke has pushed Reynolds into more complex products. Altogether 40% of Reynolds' sales last year came from finished goods, including consumer packaging and aluminum cans. Such businesses tend to be far less cyclical—and far more profitable—than basic aluminum smelting.

Walter Calahan

William Bourke
Reynolds Metals Co.
$2,226,000

How different this looks from the early 1980s, when Bourke first joined the company as executive vice president in charge of operations. Back then Reynolds was skidding in the downcycle; it reported a $24 million loss for 1982. Equally worrisome, Reynolds was accumulating excess inventory, production costs were high and the company was hampered by its badly outdated facilities.

As an outsider, Bourke was able to take a fresh look at the business. "I wasn't wedded to the past," he recalls.

Indeed. Bourke closed down 12 plants, incurring writeoffs of some

Rocky start, smooth finish

How's this for a way to begin your tenure as chief executive? "Some companies in our condition would have declared Chapter 11. I resolved that we would not."

That's Robert Boni, remembering his first days at the helm of Armco, the nation's fifth-largest steelmaker. Since Boni took over five years ago, Armco has not only avoided a bankruptcy filing but has returned smartly to profitability—quite a feat considering the company had losses totaling $1.7 billion between 1982 and 1986.

Much of Armco's trouble can be blamed on ill-fated diversification efforts by Boni's predecessors. Getting into oil drilling and insurance, it turned out, proved to be frying-pan-to-fire moves. As demand for steel was slumping in the early 1980s, both the oil and insurance businesses ran into serious troubles of their own.

Boni is an engineer by training who joined Armco in 1956 and rose through its research ranks. But slashing, not engineering, was what his new job called for. Boni had to cut the work force in half, to 19,000, and sell almost all Armco's operations outside the steel business.

Getting out of insurance hasn't been as easy as getting in. First he curtailed Armco's reinsurance business. As for its property and casualty lines, Boni hopes eventually to sell them, but first wants to spruce up the business so he can get a good price. Through hard negotiations with state insurance regulators and claimants—and the sale of some insurance operations—Boni has so far cut reinsurance claims against Armco to $900 million, half 1985's figure. In this, he undoubtedly drew upon his experience in the 1970s negotiating Armco out of some costly iron ore contracts.

Steel? Last year Armco sold 40% of its carbon steel business to Japan's Kawasaki Steel for $350 million. The deal raised cash and gave Armco access to Kawasaki's advanced technology. Using this new technology, Boni hopes to push the company further toward specialty steel—things like stainless steel for automobile exhaust systems and electrical steels for power transformers. Equally important, the Kawasaki tie could get Armco's foot in the door at the Japanese auto plants now sprouting up in the U.S.

Boni has also invested in capital improvements, including a highly efficient continuous casting operation. Earlier this year only 55% of Armco's output was produced by modern continuous casting. Today, with the new plant up and running, that is up to 77%. Future collaborations? Armco just signed two joint venture agreements with Acerinox of Spain to produce stainless steel in the U.S. and market it in Europe.

So Armco is on the rebound, earning $165 million last year on revenues of $2.4 billion. The stock recently traded around 9¼, compared with a low of 4 in 1986.

Boni, an Ohio native, credits his research training for his success at Armco's top job: "You have to tie together research and strategy. Then you have to establish an environment in which people are willing to put their ideas on the line." His job almost complete, the 62-year-old chairman will retire in a few years, handing the reins to Robert Purdum, 54, recently named chief executive. Thanks to Boni, Purdum's ride in the chief executive's chair should be smoother.

Jodi Buren

Robert Boni

Armco

$1,165,000

Great-grandpa can smile again

If your back is up against the wall, it is not quite as difficult to come up with the right answers. You do the job or you're dead." That's what W.R (Tim) Timken Jr. told Forbes two years ago when his company was in the midst of its turnaround effort.

As chairman of Canton, Ohio-based Timken Co., the ball bearing outfit his great-grandfather founded in 1899, Tim Timken knew what he was talking about. His back was very much against the wall in 1982, when his company had a loss of $3 million, its first since the Depression.

What was the problem? Timken's customers, making everything from automobiles to space shuttle landing gear, were feeling the effects of the 1981-82 recession. Worse, Japanese and European competitors were profiting from the strong dollar, flooding the U.S. with cheap ball bearings.

Many of the turnaround artists celebrated in these pages dealt with similar situations by either diversifying or getting out of their original businesses entirely. Timken chose a tougher path. He persuaded the board that the company's salvation lay in counterattacking in its traditional markets—bearings and specialty steel. The company invested in a new $450 million steel plant, one of the most technologically advanced in the world. This helped enhance the quality of Timken's bearings: Now the company is assured of purer steel. A Timken bearing today lasts four times longer than one made five years ago.

As crucial as Timken's strategy on the factory floor, though, has been its

Scott Goldsmith

W.R. (Tim) Timken

Timken Co.

$520,000

lobbying in the halls of Congress. After much urging by Timken, the U.S. in the fall of 1987 imposed hefty duties on tapered roller bearings imported from six nations, including Italy and Japan, the worst price slashers. That was especially important to Timken, which holds 70% of the U.S. market for tapered bearings (which consist of two concentric steel rings that spin smoothly on a row of cylindrical rollers between them).

Last year profits were $55 million on revenues of $1.5 billion.

With the Timken family still holding a 19% stake, the company is run like a private concern, and management prides itself on taking the long-term view. For instance, Timken vows never to let up on research and development spending, which amounts to 2.4% of sales, as against 1.5% for the average American manufacturing firm. Tim Timken, 51, puts it this way, "It's not in the shareholders' long-term interest to maximize profits in the short term."

Grazing for groceries

James Wood, 60, epitomizes the global 1980s. Born in Newcastle-upon-Tyne, England, he apprenticed as a manager under takeover baron Jimmy Goldsmith in the 1970s. Then he struck it rich by breathing life into a tired American company.

The company is A&P, the onetime grocery giant, now 52% owned by Germany's Tengelmann Group. Not long after buying into A&P in 1979, the Germans hired Wood, who had previously run New Jersey's Grand Union stores for Goldsmith. For every $1 increase in A&P's value over a five-year period, Tengelmann offered to pay Wood 5 cents. It was a rich deal for a tough job.

Recalls Wood, "The stores were dowdy, unattractive, with no merchandising flair. Everybody had given up on this company."

That includes investors. A&P reported a loss of $232 million in 1981, its deepest ever; A&P shares slid to an alltime low of 3½ on the New York Stock Exchange.

Slowly, Wood remade the company. Today almost all of A&P's 1,216 stores are either new, recently acquired, enlarged or remodeled. Wood funded the renovations with cash flow raised mainly by closing 500 laggard stores and selling off valuable long-term leases.

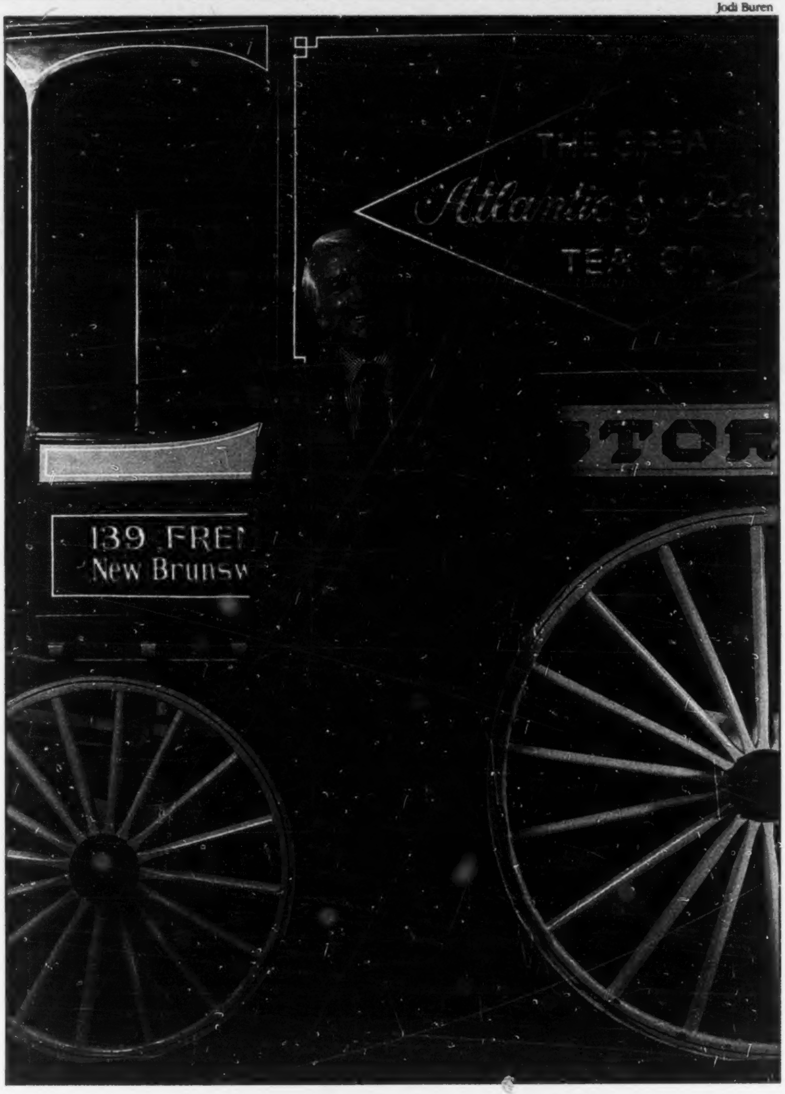
Under Wood, A&P's earnings have been increasing at a rate of 22.5% a year for the past ten years. Its sales have nearly doubled, to $11 billion in fiscal 1989. Since the early 1980s A&P's net margins have nearly tripled, to 1.30%, well above the industry average of 1.04%.

"It's the acquisitions that made us in the past ten years," says Wood. Indeed, Wood spent some $500 million to acquire several new grocery store chains, including Waldbaum's, Shopwell and Borman's. In fact, only about half of A&P's stores are actually called A&Ps today. Wood's acquisition strategy: "I buy companies that are cheap, but that have a lot of risk, and are a lot more difficult to turn around."

Example: A&P today owns Shopwell—a 54-store grocery chain bought in 1986 for $70 million—because the company was put up for sale after it floundered badly in its own efforts to move upmarket with 24 Food Emporium stores. Under Wood's management, Food Emporium's sales are growing at nearly 16% a year.

"It has become one of our blue chips," says Wood, adding by way of explanation: "We format less for the population that goes for cans and packages." Instead, Wood sells more

Jodi Buren



James Wood

Great Atlantic & Pacific Tea Co.

$11,117,000

bakery items and gourmet brands—that's where the profits are. Nowadays almost all of A&P's stores offer seafood, and they also generally have delicatessen and take-home sections to cater to America's overworked couples.

Lately A&P's growth has slowed. In the fiscal year ended February 1990, for instance, the company earned $147 million. That represents a 15% year-over-year earnings rise, as against 20%-plus increases in previous years. The way to boost earnings quickly, Wood knows, is to buy more stores and upgrade them. So don't be surprised if he moves on that front soon. Among other possibilities, A&P is said to be negotiating to buy a Toronto-based grocery chain, Steinberg's, with estimated revenues of $1.2 billion.

Wood, who last year signed a contract to stay with A&P for an additional five years, says he hasn't tired of the chase. His ultimate goal: to boost A&P's profit margins to well over 2%, surpassing Albertson's as the nation's most profitable grocery chain. That sounds like an echo from the dear dead past, when A&P was so powerful that the federal government tried to break it up as a monopoly. Before the case lumbered to trial, A&P had all but collapsed. Wood is determined to make the company formidable again.

Pull the trigger, Skip

Even a few years ago, M.A. Hanna Co. looked pretty much the same as when it was founded over 100 years ago by "Dollar Mark" Hanna, the Ohio industrialist who just about invented modern political fundraising while financing William McKinley's presidential victory. Very quaint. But for a company like M.A. Hanna, being stuck in the past meant it was headed for oblivion.

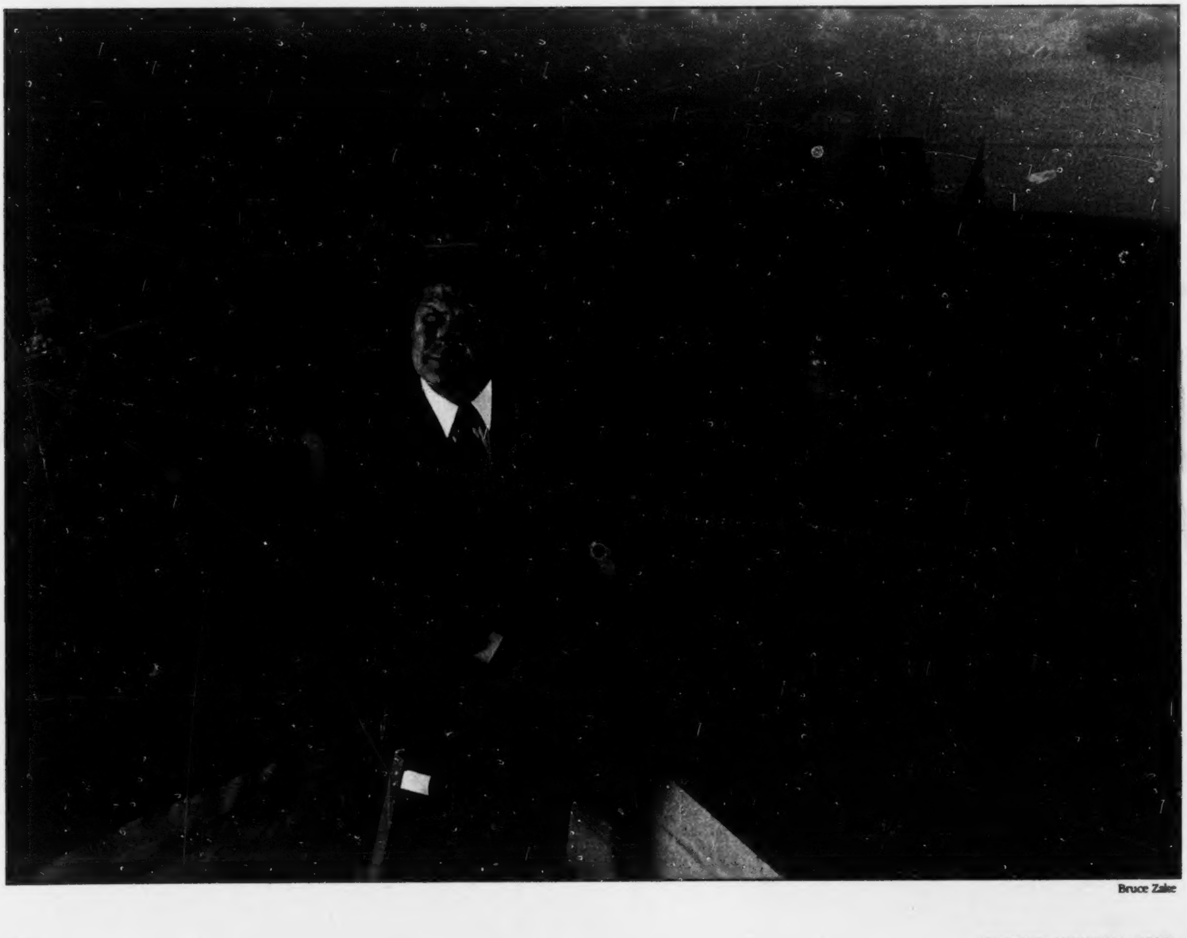
Then, in 1986, Martin (Skip) Walker was named Hanna's chief executive. At the time Hanna was getting virtually all of its sales from sluggish industries like mining and oil drilling; it posted total losses of more than $300 million between 1982 and 1986. Walker, now 57, a stocky, no-nonsense native of Indianapolis, had earlier realigned Rockwell International's nondefense operations, buying and selling industrial electronics operations and auto parts companies. Now he had a whole company to turn around.

And that's exactly what he did. Today Hanna gets 95% of its revenues and 65% of operating profits formulating specialized plastics for everything from wastebaskets to fountain pens to car dashboards. Unlike mining and oil drilling, these businesses are growing at more than two times the rate of the gross national product.

Martin Walker

M.A. Hanna Co.

$1,013,000



Bruce Zake

At first Hanna's senior managers resisted change. Recalls Walker: "I told the old-timers that, under those conditions, Mark Hanna would have done the same thing I was doing."

Like many an executive who has engineered a corporate transformation, Walker knew he had to move fast. Says he, "Hanna needed someone to pull the trigger, and I like action, not sitting around talking."

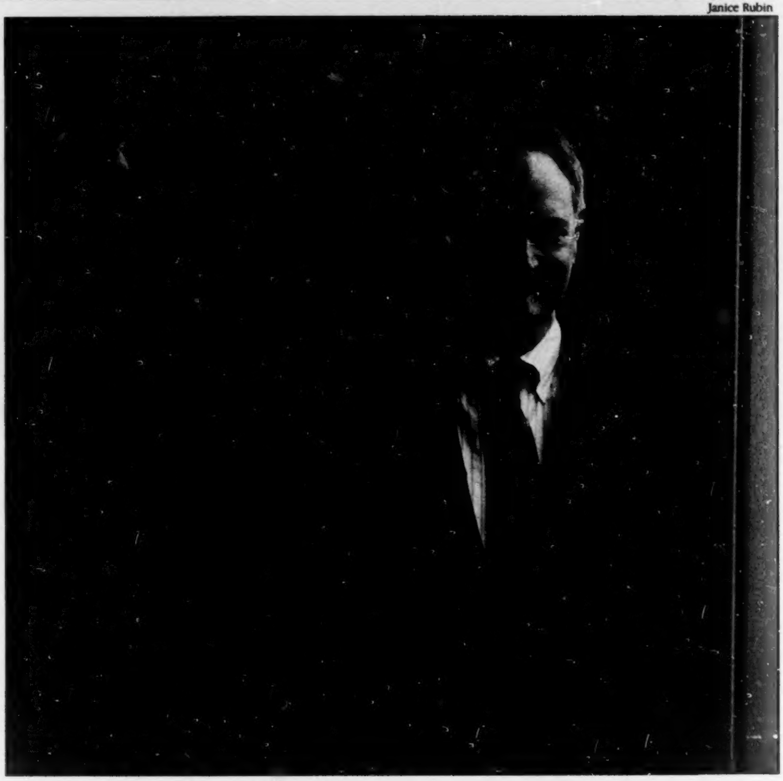
In December 1986, four months after taking over, Walker bought Burton Rubber Processing, a polymer compounder, for about $70 million. That summer came Allied Color Industries and Avecor, two small processors of plastics colorants. Then Walker made his biggest acquisition, spending $375 million for Day International, a leading processor and distributor of polymers. Before the year was out he bought PMS Consolidated, the world's largest processor of plastics colorants. Thus, in only four years, Hanna had become one of the nation's leading polymer companies and had $1 billion in sales.

To pay for the acquisitions, Walker borrowed heavily. This was relatively easy because the conservative old company had been, if anything, underleveraged. Long-term debt jumped from 16% of capitalization in 1985 to 50% in 1987. It has since been whittled down to 20%, as Walker floated more stock and channeled a growing cash flow into debt repayment.

Since 1987 Hanna's financial results have been consistently in the black. Last year the company earned $87 million on sales of $1.1 billion.

Today Hanna is almost completely out of natural resources. And the old mining hands who remain at the company? Beams Walker, "They're proud of being part of the new Hanna."

Janice Rubin



A. Clark Johnson

Union Texas Petroleum Holdings

$1,497,000

Phew!

Who can blame Clark Johnson for being relieved the 1980s are over? The 59-year-old chief executive managed Union Texas Petroleum Holdings through tough times—for both his industry and his company. But Union Texas not only survived, it prospered.

Last month Union Texas was put up for sale by Kohlberg Kravis Roberts and Allied-Signal, each of which owns a 40% stake. Likely selling price: over $2 billion.

Johnson's tough times began back in 1985, when he teamed up with KKR and Allied to take Union Texas private in a $1.7 billion leveraged buyout. Running the second-largest independent oil and gas producer in the U.S. is no easy task under any circumstances, and having interest payments of up to $90 million to meet each year made it even tougher.

How tough? Picture Johnson on a tightrope, and then picture on the other end a 500-pound gorilla bouncing up and down. That gorilla was the oil and gas market, which started giving Johnson hassles shortly after the Union Texas buyout.

With oil and gas prices dropping sharply in early 1986, Union Texas revenues fell by over a third. Then, because of softening gas prices, Union Texas had to take a $105 million writeoff for gas reserves in one of its partnerships. Add that to more than $230 million in depreciation, depletion and amortization costs, and the result should be no surprise: a $57 million net loss for 1986, the company's worst year ever.

Johnson did the dirty work, cutting the payroll by a third, cutting exploration and development spending by 40%, selling marginal properties.

He also raised money by selling stock. In a market skittish about oil shares, Union Texas managed to raise $252 million in 1987, but at the cost of giving up 20% of its equity to the public. Shareholders had a close call: Union Texas lost more than 50% of its North Sea production after a 1988 explosion; but it turned out that Johnson had shielded earnings by taking out business interruption insurance. Thank you, Clark.

When the oil market finally recovered, Union Texas was ready. Last year it enjoyed a record $170 million in earnings on revenues of $1.2 billion. Analysts predict the company's profits will grow at a 15% annual rate over the next five years. Union Texas stock recently surged to 20, near its alltime high.

After a sweaty five years, you might think Clark Johnson is due for a rest. Not so. Right now he is flying around the world, visiting Union Texas' far-flung plants, assuring his employees that even after the buyout, it will be business as usual.

Flying (coach) through the storm

When Douglas C. Yearley travels these days, he flies coach. As chairman of Phelps Dodge, the nation's largest copper producer, Yearley can easily afford first class. After all, his company earned hefty profits last year on revenues of $2.7 billion. But Yearley, 54, has learned some tough lessons about cost-cutting the past few years, so he flies three-abreast to drive the lessons home to his employees.

Phelps Dodge was in deep trouble about five years ago. The world price of copper had dropped to 65 cents a pound—15 cents less than it cost Phelps Dodge to produce the stuff. Yearley, who was a senior vice president at the time, conducted a study of the copper market. His conclusion: Copper prices would remain depressed for some years to come. But with Phelps Dodge posting losses of about $25 million a quarter, the company couldn't afford to wait out the downcycle.

Under the leadership of Yearley's predecessor, G. Robert (Bull) Durham, Phelps Dodge in 1985 began selling assets, shutting down operations and laying off employees. The company withstood a bitter yearlong strike, managing in the end to break a violent union that had forced an unrealistically high cost structure on the company. Headquarters were relocated from plush Park Avenue offices in Manhattan to cheaper digs in downtown Phoenix. Even the chairman began sharing a secretary and, to save additional money, all executives were asked to fly on the cheap.

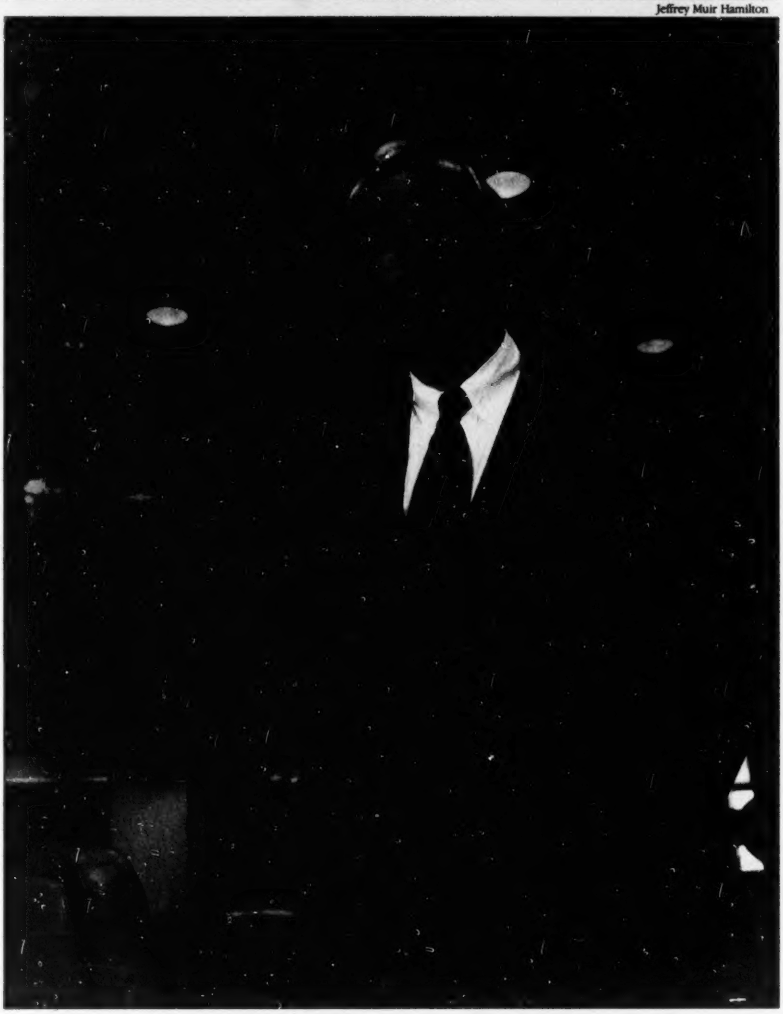
As overhead costs dropped, the company expanded its use of a more efficient copper refining technology, called solvent extraction/electrowinning. This process helped Phelps Dodge cut its copper production costs to about 60 cents a pound, making the company competitive with any producer in the world.

But in a cyclical business like copper, there is always the next downturn to worry about. So management bought a gaggle of heavy manufacturing businesses, all with healthy market share. The idea was to provide Phelps Dodge's mining operations with a steady flow of earnings that could act as a buffer against the cyclical slumps in the copper business. The new manufacturing operations, including makers of carbon black and steel truck wheels, are expected this year to account for just under half of Phelps Dodge's $300 million or so in profits.

Shareholders have been amply rewarded not only by Phelps Dodge's turnaround but by a rebound in copper prices, to about $1.25 a pound. The company's stock, recently trading at about 58 on the New York Stock Exchange, has more than quadrupled from its 1984 low. Flush with cash, the company last October paid a special $10-per-share dividend to shareholders.

But don't expect Yearley to stop flying coach or sharing a secretary. Says he, "When you're in a cyclical business and you've been through the storm we came through, I think you tend to be conservative."

Jeffrey Muir Hamilton



Douglas C. Yearley

Phelps Dodge

$1,822,000

Trial by fire

"It felt like I was looking down the barrel of a gun." So says William Goessel, 62, recalling his first few weeks at Harnischfeger Industries back in 1982. In the midst of a national recession, few people wanted to buy the Milwaukee company's industrial, mining and construction equipment. Harnischfeger's inventories were bloated. Some plants were operating at less than 20% of capacity.

"I joined in August, and they told me the first week that we would be running out of cash on the 23rd of

September," says Goessel, who had been executive vice president of Beloit Corp.'s paper group before joining Harnischfeger. "And then in August we discovered that we were in technical default on $175 million of debt."

Forget reported earnings: This was a protect-the-cash-flow operation. That first month Goessel laid off about 800 of the company's 5,100 workers. He didn't order any new materials, and he aggressively sold off inventory. Later he sold Harnischfeger's ailing construction equipment business, which had once accounted for about half of the company's sales.

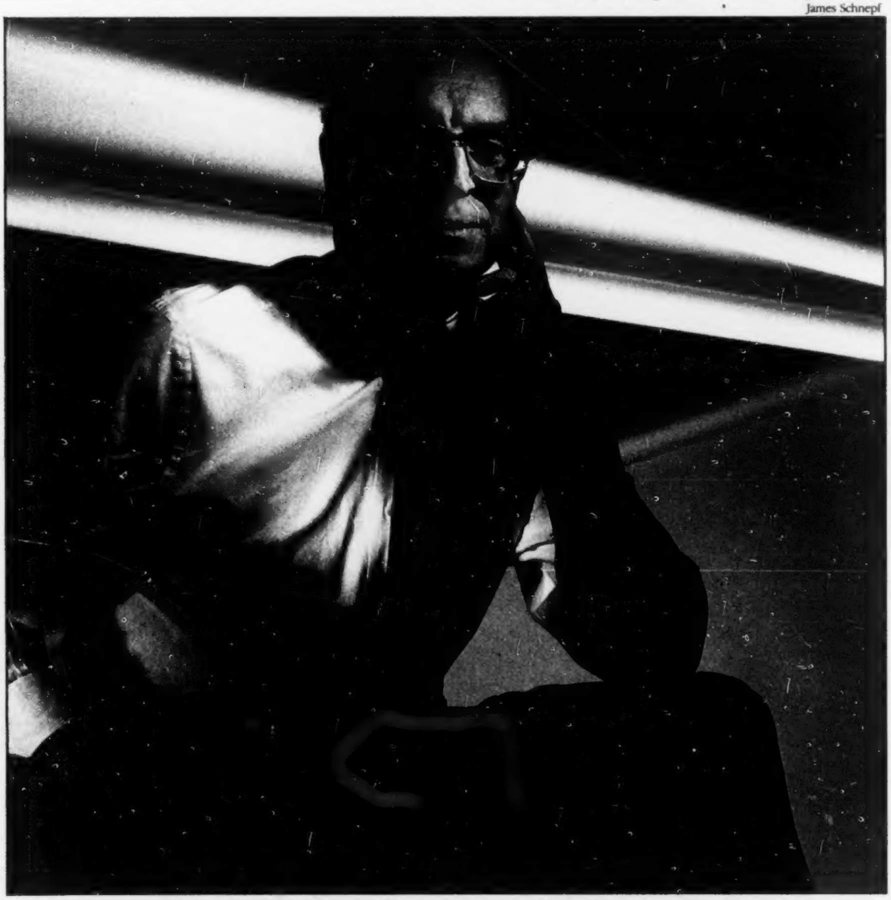
In 1984 Harnischfeger finally reported a profit. By 1986 Goessel was ready to start reinvesting in the business. He spent $175 million to buy his previous employer, Wisconsin-based Beloit, which manufactures papermaking equipment and had interests in, of all things, peanut farming.

William Goessel

Harnischfeger Industries

$906,000

James Schnepf



Goessel knew what he was doing: He had started his career at Beloit as a foundry technician and stayed 32 years. "Beloit was a wonderful company that made some poor choices in diversification," he says, "but the paper segment was always very strong."

Seven months after the acquisition, Goessel sold a 20% Beloit stake to Mitsubishi for $60 million. Why the rich price? The Beloit takeover, as it happened, coincided with the beginning of the worldwide boom in the paper industry.

Time for more acquisitions. Goessel bought Syscon Corp., a maker of defense-related computer systems, for $92 million. He also got more aggressive about selling spare parts for all the equipment Harnischfeger makes; this replacement business now accounts for some 25% of Harnischfeger's $1.5 billion in total sales.

For fiscal year ended Oct. 31, debt was reduced to a mere 18% of total capitalization, the company had an abundance of cash, and profits came in at $71 million—more than 13% on equity, the best return in six years. Based on strong demand for its paper machinery, a 20% earnings rise is expected for the current fiscal year. The company's stock recently traded at about 20 a share, about three times its level when Goessel came aboard.

"We feel much more protected against downturns that hit the company so hard in 1981 and 1982," says Goessel. "That will not happen to us again."

Going local, staying global

David Tappan was thrust into the chief executive's chair at Fluor Corp. by tragedy: Chairman J. Robert Fluor, grandson of the company's founder, died of lung cancer in September of 1984. On top of that, the company was in serious trouble.

Based in Irvine, Calif., Fluor had prospered with the oil boom, building huge oil refineries and petrochemical plants around the world. But as Tappan ascended to the top job, oil prices collapsed. Adding to Tappan's problems, Bob Fluor a few years earlier had paid a rich $2.2 billion for gold and metals producer St. Joe Minerals, just before metals prices slumped.

All this hit Fluor's results like a wrecker's ball. Between 1985 and 1987 Fluor reported losses of $675 million. Sales slipped to $3.9 billion.

But Tappan managed to keep his wits about him. He sold off a number of Fluor's prize assets, including its 162-acre headquarters campus. Also dumped were pieces of St. Joe Minerals.

But Tappan's most important act was merging Fluor's operations with those of Daniel International, a contractor Fluor acquired in 1977. Daniel had always concentrated on smaller U.S. projects, including various types of factories. So while the old Fluor was limited to big international oil projects, the new Fluor-Daniel offered its services to 30 in-

Fredrich Cantor

David Tappan Jr.

Fluor Corp.

$1,304,000

dustries, including food processing, paper and automotive manufacturing.

Today Fluor is just as likely to build an art museum as it is a petrochemical plant. This switch required remarkable flexibility for Tappan, whose 32-year career with Fluor was based largely on selling and overseeing huge international projects. Says he, "We are operating globally, but we're also trying to be the kid across the street."

And it's working. Fluor's contracts are growing at more than two times the construction industry average. The backlog of building jobs, which dipped to $4 billion in 1984, is up to almost $9 billion. Fluor's shares are trading at about 42⅝, up from a low of 11 three years ago.

Conscious of the power of symbols, Tappan cut his own salary and bonus from $773,000 to $450,000 during the lean years. Because the company has rebounded—it earned $108 million last year on sales of $6.3 billion—no one can begrudge his healthy $1.3 million compensation last year.

Tappan, 68, plans to retire by year's end, but he is taking his last official task—grooming a successor—very seriously. This year he named Fluor veteran Leslie McCraw, 55, as chief executive; before long McCraw is expected to get the chairman's title as well.

Bob Fluor was a tough act to follow. Dave Tappan is about to be.

Whatever stops the bleeding

To an outsider, Texas Instruments' strategy might seem haphazard. Founded in 1930 as an oil service firm, Texas Instruments invented the microchip in 1958, got into the missile-making business in the 1970s, strayed into hand-held calculators and later launched a disastrous foray into home computers. All this left Jerry Junkins with a terrible headache.

When Junkins was named chief executive five years ago, Texas Instruments was reeling from a slump in the semiconductor business and about to post a $141 million loss for 1985. Recalls Junkins, now 52, "We had to stop the bleeding."

Junkins is an electrical engineer who worked his way to the top through the defense side of the business. He saw right away that the company was spread too thin. He dropped oilfield services, as well as production of home computers. Junkins put the company's energy fully into defense electronics and semiconductors. There was risk in this concentration: Just as many manufacturers were abandoning the market for commodity chips, Junkins had decided to sweat it out. Result? Today Texas Instruments is one of only three U.S. companies that make and sell dynamic random access memory chips (DRAMS), the basic chips used to store data in everything from computers to fax machines. Last year an estimated 14% of TI's revenues came from DRAMS; its market share of the business was 8%.

Like all of the turnaround artists, Junkins had to do some painful things: cut the work force by 10%, freeze wages through mid-1986 and close two plants—a memory chip assembly facility in El Salvador and a computer manufacturing center in College Station, Tex. He recognized the growing globalization of business by investing $1.2 billion for a number of facilities—including a DRAM factory—in Italy, with more than 50% of the cost subsidized by low-cost Italian government financing.

Another key move: Junkins has actively tried to get rivals to pay Texas Instruments for use of the company's "intellectual property." Over the past four years he has collected in excess of $500 million, mostly from the Japanese and primarily on DRAM patents.

Junkins upgraded TI's marketing. As he puts it, "Just having good tech-

Mark Seliger/Onyx

Jerry Junkins

Texas Instruments

$835,000

nology and good manufacturing is not enough to maintain a strong position. We've strengthened the way we listen to our customers."

As for management style, Junkins differs markedly from his predecessor, Fred Bucy, who was a manager of the old school and ran a highly centralized company. Junkins has decentralized management, pushing power back to the managers running the company's divisions around Texas and the world. "Under Jerry Junkins, Texas Instruments went from management by intimidation to management by inspiration," says Daniel Klesken, analyst at Prudential-Bache. Characteristic of the new open style, Junkins actively seeks criticism from customers, analysts and the press.

Under Junkins, Texas Instruments has bounced back. Return on equity since 1987 has averaged 20% annually, and last year TI earned a $292 million profit on revenues of $6.5 billion. With markets for semiconductors and defense products slack, TI's earnings are likely to be flat for the next two years. But flat at a fairly high level.

Executive wordsmith

George Kennedy seems to see himself as a kind of corporate Mao Zedong. He doesn't like to say he has "restructured" International Minerals & Chemical Corp. Instead, he claims to have "constructured" it, meaning he has tried to put the company into a state of "continuous restructuring." As Mao would say, it's the difference between revolution and continuous revolution.

Founded in 1909, IMC for years had been a workaday outfit mining phosphates and potash, two of the world's most basic and widely used fertilizers. When Kennedy took charge in 1983, it didn't take him long to realize that IMC had little control over its own destiny because it was locked into highly cyclical, commodity businesses. Kennedy's plan was to move IMC into more sophisticated products, specifically medical products and animal health supplies.

Out went IMC's energy operations and its coke, clay and quartz mining businesses. To get them off his books, Kennedy had to take a writedown of $128 million. That, combined with losses in the depressed fertilizer market, led to a hefty $217 million net loss for 1986.

Sometimes when things look really bad, a bold stroke is what's called for. Borrowing heavily from banks, Kennedy in 1986 paid $675 million for Avon's Mallinckrodt unit, a maker of X-ray materials and drug chemicals. Then he got IMC into the market for animal health, snapping up a maker of animal vaccines and mineral feed supplements for $38 million from Johnson & Johnson. Next, to pay off debt, Kennedy sold to the public a 53% stake in IMC's fertilizer business, raising $559 million in cash.

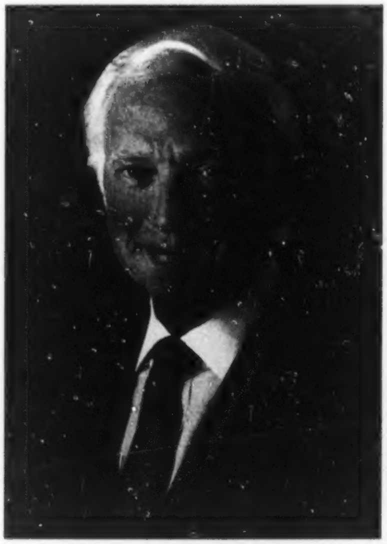
But remember, George Kennedy calls his restructuring "continuous." Thus, just last year, he paid $260 million to buy Coopers Animal Health, which had been a joint venture between ICI and the Wellcome Foundation. This pushed IMC's long-term debt up to 80% of total capital. No risks, no revolution.

Did Kennedy make the right moves? While profit margins from the company's fertilizer business are down to about 7% and falling, margins in IMC's medical and animal health businesses will average 12% this year. Kennedy looks smart to have moved when he did. IMC's stock has almost doubled, to $60, over the

George Kennedy

International Minerals & Chemical Corp.

$1,304,000



past two years. The new IMC earned $117 million last year. That's a heck of a lot better than the divestiture years of the mid-1980s. But it is not quite as good as the early 1980s, when IMC's commodity businesses were stronger.

But Kennedy could begin to look even smarter over the next few years. Pat O'Brien, analyst at Anantha Raman & Co., expects IMC's profits to increase more than 20% a year through 1994.

Culture clash

In 1983 James Glasser decided to drop GATX' manufacturing operations, and concentrate instead on the leasing business. "It was," says Glasser, 55, "the most important and traumatic decision of my career."

For GATX, it amounted to shock therapy. The company had been making railcars in Chicago for nearly 100 years. But under Glasser's knife, out went subsidiaries that made railcars, storage tanks, specialty steel and process gear for the cement industry. A shipping subsidiary was spun off to shareholders. Altogether, 40% of revenues vanished. For these unpopular moves, GATX took a $179 million restructuring charge and posted a loss of $93 million in 1983.

After a few shaky years, however, GATX' earnings have shown consistent growth since 1986. Profits hit $66 million last year, on revenues of $700 million and capital of $500 million. This year's first-quarter results were up a further 14%.

A graduate of Harvard law school, Glasser started his career in GATX' legal department in 1961, rising to president of GATX Leasing Corp. in San Francisco in 1971; he was named chairman and chief executive of the entire company in 1978.

Glasser reasoned that leasing (mostly railcars, bulk-liquid terminals and commercial aircraft) would make GATX more recession-resistant than manufacturing. Equipment leases, usually running more than three years, can be counted on to bring in a steady stream of cash flow; demand for railcars, by contrast, tends to be cyclical.

An added benefit: For the first time in its history, GATX executives can view most of their capital spending as discretionary. "I can call the presidents of our subsidiaries tomorrow and tell them to stop spending," says Glasser gleefully. "The only required capital spending we now have is $25 million to $30 million a year" (largely for maintenance of the company's railcars and terminal facilities).

But there was more to the decision than that. By the time Glasser was named chief executive, leasing had become more dominant than manufacturing, and GATX had developed a case of corporate schizophrenia. "The leasing culture and the manufacturing culture at GATX did not mix," says Glasser. "We decided to concentrate on the leasing culture for the future."

With GATX' market capitalization up nearly 50%, to $600 million, since 1983, it's hard to argue with Glasser's decision.

James Glasser
GATX
$1,718,000

Michael L. Abramson

Concentrated diversification

Voyages into the unknown don't seem to excite John (Jack) Murphy, chairman and chief executive of Dresser Industries, the Dallas-based energy equipment outfit. Since taking charge in 1983, Murphy has rid the company of about 20 nonenergy businesses.

"We think the oil business is what we do best, so we decided to marshal our forces and concentrate on that area," says Murphy, who looks considerably younger than his 58 years.

Moving further into the oil business in the mid-1980s seemed like throwing good money after bad. Dresser had been smacked hard by falling oil prices, slack drilling activity and a shaky petrochemical business. In 1985 Dresser Industries lost $196 million on sales of $4.1 billion. Recalls Murphy, "Our markets had virtually disappeared."

But when the business started to bounce back in 1989, Dresser was ready. Today the company's energy-related operations account for some 70% of its $5.2 billion revenues, up from under 60% in 1983. Profits, meanwhile, increased to $170 million last year, versus a $25 million loss three years ago. A substantial earnings rise is expected this year.

Although Murphy marshaled his forces in the energy business, he didn't keep them all in one place. In a strategy of concentrated diversification, Murphy has positioned his company to supply equipment and services at various stages of the energy cycle—from drilling wells to refining to making petrochemicals.

Murphy, who joined Dresser in 1952 as an engineer, offers an example: Dresser's 1988 acquisition of M.W. Kellogg, the engineering and construction firm, will help Dresser meet increasing demands in the refinery business. To further address the refining and sales side of the spectrum, Murphy recently spent some $100 million to acquire Peabody Holmes and Mono Pump, two British companies that make refining equipment.

The intelligence of this strategy lies in the fact that, aside from exceptionally bad years like 1982, energy slumps tend to hit different stages of the production process at different times. For example, the demand for refining equipment has been strong in recent years, while the need for exploration equipment has not. Thus the slump-smoothing benefits of diversification are achieved without straying from the industry Dresser knows so well.

To further spread risk, Murphy has five major joint ventures. These include Dresser-Rand (1989 sales, $850 million), an alliance with Ingersoll-Rand that makes turbines and compressors for the oil and gas processing industries.

Since both the drilling and refining sectors of the energy industry are generally expected to do well over the next decade, Dresser's future looks promising. But what if the extreme happens and the industry collapses across the board, as it did back in 1982? "Sure, we'll have problems," says Murphy, "but I think we have learned how to run this business much the way you drive a car: You keep one foot on the gas pedal, and the other about half an inch away from the brake."

Ben Weaver

John (Jack) Murphy

Dresser Industries

$1,967,000

Ed Kashi

intel
ANDY GROVE

Lessons from Budapest

Andrew Grove
Intel Corp.
$723,000

For five years Intel Corp. dominated U.S. production of a crucial type of semiconductor, dynamic random access memory (DRAM) chips. These silicon chips are to the information age what steel was to the age of heavy industry. But the company was abruptly forced out of the DRAM market in 1986 when Japanese chipmakers flooded the U.S. market with low-cost chips. Intel reported a loss of $183 million that year, and its once high-flying stock fell 51%, to $11.

Intel's chief executive is Andrew Grove. Born Andras Grof, he was a teenager when the Soviets invaded his native Hungary in 1956. He immigrated to the U.S. a few months later. After working his way through undergraduate and graduate studies as a waiter and office worker, he joined Fairchild Semiconductor in 1963 as an engineer under R&D head Gordon Moore. When Moore and Robert Noyce formed Intel in 1968, they brought Grove along.

After working as Intel's president for eight years, Grove became chief executive in 1987. Energetic and articulate, Grove, now 53, has somehow found time along the way to author several books on management.

Grove says his biggest worry today is still what it was in the mid-1980s: the Japanese chipmakers. Grove fears they will someday succeed in their goal to dominate the world computer market. To prevent that from happening, he advocates an aggressive U.S. trade policy that will protect America's intellectual property—patents and other technical knowhow.

Paradoxically, Grove's recent successes at Intel illustrate why innovation—not trade policy—is the best weapon against foreign competition. His strategy, which helped reverse Intel's losses, is to steer clear of the commodity chips that can be easily imitated in the Far East. Instead, Grove concentrates on beating the competition with newer, faster chips meant for desktop computers.

The best-known example of this is Intel's model 80386 microprocessor. Introduced five years ago, it has become the standard microprocessor for personal computers by virtue of its exclusive use in IBM and IBM-compatible computers. These machines account for more than half of the U.S. personal computer market.

Having spent $100 million to develop the 80386, Grove has kept production of the chip in Intel's hands, defying customers' demands that he farm out production to other chipmakers to ensure accessibility and thus fair prices.

Continuing its long rebound from 1986, Intel earned $391 million last year on sales of $3.1 billion. The stock has nearly quadrupled to a recent $41. And today the company has a healthy war chest of $365 million to pour into researching the next generation of microchips.

One needn't be a Hungarian refugee to know that in a business like Intel's, it's always a good idea to keep some powder dry, and never turn one's back to a determined predator.

This side of paradise

Walter Williams, chief executive of Bethlehem Steel Corp., spent most of the 1980s correcting a costly blunder the company made some 15 years ago. That's when most U.S. steelmakers, Bethlehem included, forecast that demand for steel would rise 40% from 1976 levels, to 150 million tons a year in the 1980s. Seeing a bonanza ahead, the steelmakers invested billions of dollars in new plant and equipment. But the surge in demand never materialized.

"The whole message was driven home in 1982, when the steel market really fell to pieces," says Williams. Bessie lost $1.5 billion that year, and heavy losses continued through 1986. Long-term debt and unfunded pension obligations equaled 82% of the company's capitalization.

But look at Bessie now: In 1989 it earned $246 million, and its debt and unfunded pension obligations have been cut to a more comfortable 48% of capitalization. Stockholders are elated. The company has resumed paying common dividends after a nearly four-year lapse, and Bessie shares are trading at about 18, well above the 1986 low of 5.

No question: The entire steel industry was helped by the federally imposed "voluntary" steel quotas, which limit imports of foreign steel through March 1992.

Russ Kennedy

But Bethlehem would never be reaping today's fat profits if it weren't for Walter Williams' restructuring efforts. Perhaps Williams' smartest move was getting Bethlehem out of nonsteel businesses. After taking the helm in 1986, he dropped a score of these operations—everything from shipyards to limestone quarries. His reasoning was unassailable: With Bethlehem forced to pay union wages even in most of its nonsteel businesses, the company simply couldn't compete with similar operations that were not unionized.

In the steel business, Williams cut annual capacity from about 25 million tons to about 16 million. He invested $4 billion to modernize the steel operations that remained, and plans to spend a further $500 million this year.

Today Bessie has two first-rate properties: the Burns Harbor, Ind. plant and the Sparrows Point, Md. plant. Churning out two-thirds of the company's production, either of these plants can produce a ton of steel with less than four man-hours of work. That makes them two of the most efficient steel mills in the world.

Williams can't relax yet. Bessie's three archaic plants in Pennsylvania are likely to suffer if, as expected, minimills continue to move in on Bessie's turf. The minimills, with new equipment and nonunion workers, are capable of producing many of Bessie's steel products for as little as two-thirds the cost.

Steel is a highly cyclical industry, and Williams hasn't changed that. Example: In this year's first quarter, with demand weak, Bessie's operating income fell 66%. Williams says orders have improved recently, and that the first-quarter results may have been the bottom. Sighs Williams, "We haven't reached the paradise yet."

No, but by making some bold, painful decisions when he did, Williams changed his company from a floundering giant into a small but lean competitor in a very tough business.

Walter Williams

Bethlehem Steel

$908,000

The book can wait

Bill McGowan is the man who transformed MCI from a small radio communications company into the country's second-largest long-distance telephone carrier. But it wasn't all glory. Fact is, upstart MCI found itself in trouble in 1984, after AT&T was forced to spin off the Baby Bells.

Up to that point MCI had a basic advantage: It was allowed to transmit its calls across the local Bell operating companies' lines at prices 70% lower than what AT&T was charged by the Baby Bells. But then came the Bell breakup. With it, all long-distance carriers, including AT&T Long Distance Service, were granted equal access to the Baby Bell lines. The discounts that had so favored MCI were phased out by order of the Federal Communications Commission.

For MCI, the change was earthshattering. MCI had always been a niche player, billing itself as the low-price provider. The company was simply unprepared to compete with AT&T on quality or service. As a prelude to upgrading, MCI in 1986 took a $585 million charge for writing off outdated equipment. Result: a net loss of $498 million for the year.

William McGowan

MCI Communications

$8,666,000

The troubles took their toll on McGowan. After laying off 15% of MCI's 16,000-person work force, McGowan suffered a heart attack in December 1986; the following April he had a heart transplant.

He was sidelined for nine months. When he got back, he was ready for action. Spurred on by McGowan, MCI management improved quality and service, and pushed for more corporate customers as well. MCI also digitized its phone network, allowing faster transmission of both voice and data communications. Then came a broad range of new services, including international dialing and more detailed billing information. As in its early years, MCI during its turnaround relied largely on junk bonds.

MCI upgraded its sales force and gained a reputation for excellent service. MCI soon signed up the Pentagon and such firms as Westinghouse, Chrysler and IBM for its voice and data transmission services.

MCI returned to profitability in 1987 and last year earned $558 million on sales of $6.5 billion. Profits this year are expected to jump 37%. The stock, meanwhile, is up to 36 from a low of 5 a few years ago.

As for McGowan, he began exercising more and cutting his workload. But he was unable to talk with FORBES because he recently had exploratory chest surgery.

People have been after McGowan for years to write a book about his business exploits—building a company from scratch and battling the AT&T monopoly. But so far McGowan has refused. After all, MCI still has only 12% of the long-distance market, compared with almost 70% for AT&T. To keep the giant at bay, McGowan knows, MCI must continue to come up with new and better services. In short, there may be a few more chapters to be written in the MCI saga.

Katherine Lambert

Second chance

When a chief executive drives his company near disaster, he rarely gets to undo his errors. BankAmerica's Tom Clausen is an exception.

Throughout the 1970s Clausen was the dean of American banking. He ran the nation's largest and most profitable bank. In 1981 he left BankAmerica to head the World Bank and help the poorer countries.

But within a year after Clausen's departure, BankAmerica began to slip. The bank was badly hurt by its portfolio of Latin American loans, and it also got caught in the U.S. farm crisis as many loans to California farmers went sour. The San Francisco-based bank also lost money on real estate lending and shipping credits as well as oil patch loans.

"BankAmerica managed to have a finger in every pie that got baked," says Bear, Stearns analyst Mark Lynch.

Clausen's successor was Samuel Armacost, by most measures a pretty good banker. But most of the bad loans had already been made, and Armacost was unprepared for the profusion of bad credits that started hitting the fan in 1982. Not until 1985 did he make adequate loan-loss provisions; in that year a loan-loss reserve of $2.1 billion triggered a net loss of $577 million.

By October 1986 Armacost was out.

Douglas Kirkland/Sygma

A.W. (Tom) Clausen

BankAmerica Corp.

$1,815,000

The board replaced him with Tom Clausen, under whom many of the shaky loans had been made. BankAmerica's troubles continued: It took a $518 million loss for 1986 and a loss of nearly $1 billion for 1987.

Armacost, ironically, left Clausen a gift: four relatively new BankAmerica executives, all veterans of rival Wells Fargo. They were Glenhall Taylor, Richard Rosenberg, Lewis Coleman and Frank Newman.

Clausen put Taylor and Newman on the defensive team, counting on them to clean up bad loans and tighten credit standards. Coleman, who was put in charge of BankAmerica's overseas operations, was told to trim what had been an expensive foreign presence.

Meanwhile, Clausen groomed Rosenberg to succeed him as the company's leader, allowing him to push the bank more forcefully into consumer finance businesses such as home mortgages and car loans. With the California economy strong, the shift back toward consumer banking worked like a charm.

By the third quarter of 1987 the bank had bounced back to profitability. Last year, in fact, it reported a record profit of $820 million on continuing operations. This year, analysts predict that profits should rise more than 25%.

From $2 billion in 1987, the company's market value has climbed to $6 billion. And even though California is about to allow other states' banks onto its turf, BankAmerica is no longer on the lists of weak banks likely to be taken over.

His job done, Clausen will step down this month, tapping Rosenberg as BankAmerica's new chief executive. Clausen must have been grateful indeed for his second chance.

A shy guy

George A. Schaefer doesn't want to take credit for pulling Caterpillar out of this century and thrusting it into the next. This modesty explains why the 61-year-old chief executive refused to be interviewed for this story. But when Schaefer retires this June, he will leave behind a dramatically different company from the one he inherited five years ago.

For decades, Cat smiled the contented smile of a company that had just swallowed its market. But the recession of the early 1980s, coupled with the strong dollar, wiped that smile away. By the end of 1984, Cat had racked up almost $1 billion in losses over three years and was looking despondently at a shrinking market share.

Management cut costs by closing several plants, consolidating operations and reducing the company's work force—the usual necessary moves. That helped put Cat back in the black by 1985, but it didn't really sharpen its claws. To compete, Cat needed to expand its product line, making smaller, less expensive, machinery to sell alongside its behemoth earthmoving equipment.

So in 1987 management embarked on an ambitious $1.5 billion "Plant With a Future" program to modernize its manufacturing facilities, while at the same time continuing to spend about $700 million on the usual capital improvements.

Long-term thinking can be expensive. All of the futuristic plant's start-up costs ~~are being~~ charged directly to earnings, reducing profit by about $150 million a year. Thus, those on Wall Street with short attention spans have not been happy.

But already Cat has managed to take back market share from foreign competitors like Komatsu. Enthuses Oppenheimer & Co. analyst Charles Harris, "Cat is the only American company that took on the Japanese without any protection (from Washington) and won."

Schaefer didn't only change the way Cat makes machinery, he changed the way the company is organized. With $11 billion in sales, Cat now keeps a close eye on individual manufacturing operations, to try to insure that each shows a profit. "Cat was a benign, successful and beautiful example of a bureaucracy," says L. Michael Braig, an analyst at Prescott, Ball &

Bob Sacha

George A. Schaefer

Caterpillar Co.

$1,539,000

Turben. "Schaefer recognized the need to change that."

In 1989 Cat earned $500 million, or $5 per share, less than 1988's near-record $6 but a satisfying 12% on stockholders' equity. If the modernistic plant kicks in with savings over the next few years, Cat's net income could jump to $10 a share or more.

George Schaefer is a modest man, but if he chose to boast, he'd have plenty to be boastful about.

The virtues of specialization

"Change is always difficult," says James Renier, recalling the dismantling that was necessary to repair Honeywell Inc. "In the process there were some rather rough bumps, but it wasn't difficult to see what needed to be done."

Starting in 1970, Honeywell's then-chairman, Stephen Keating, diversified the company beyond its traditional business of electronic controls systems. That put Honeywell into everything from computers to semiconductors to telecommunications. By 1985 it was clear that Honeywell was spread too thin. Return on equity for the year was 11.8%, versus a stated goal of 16%.

Renier, named chief operating officer in 1986, had come to Honeywell 34 years earlier with a Ph.D. in physical chemistry, a discipline he thinks helped him communicate his turnaround strategy to his executives, most of whom have engineering or scientific degrees. Says Renier, "I believe that in a high-tech business it is easier to teach an engineer to be a businessman than a businessman to be an engineer."

In large part Renier capitalized on Honeywell's tradition. It was Honeywell, after all, that invented the thermostat in 1883. Renier moved Honeywell more forcefully into the thermostat's modern-day counterpart—temperature controls for homes, factories and office buildings.

Renier also pushed for more sales of controls for industrial processes such as oil refining, and for aviation uses, including an antenna-pointing system in the recently launched Hubble telescope. In fact, in its largest acquisition to date, Honeywell four years ago paid $1 billion to buy the Sperry aerospace division of Unisys, which nicely complemented the firm's existing avionics operations.

What got cut? Renier trimmed the payroll by 5% and sold a majority stake in Honeywell's ailing computer operations to France's Groupe Bull and Japan's NEC. Semiconductors were dropped, and last month the company announced that it would spin off its $1 billion defense and marine systems business.

But all this juggling did not go smoothly. A writedown on the computer spinoff led to a $398 million loss in 1986. Then, in 1988, cost overruns in the defense business triggered a $435 million deficit for the year.

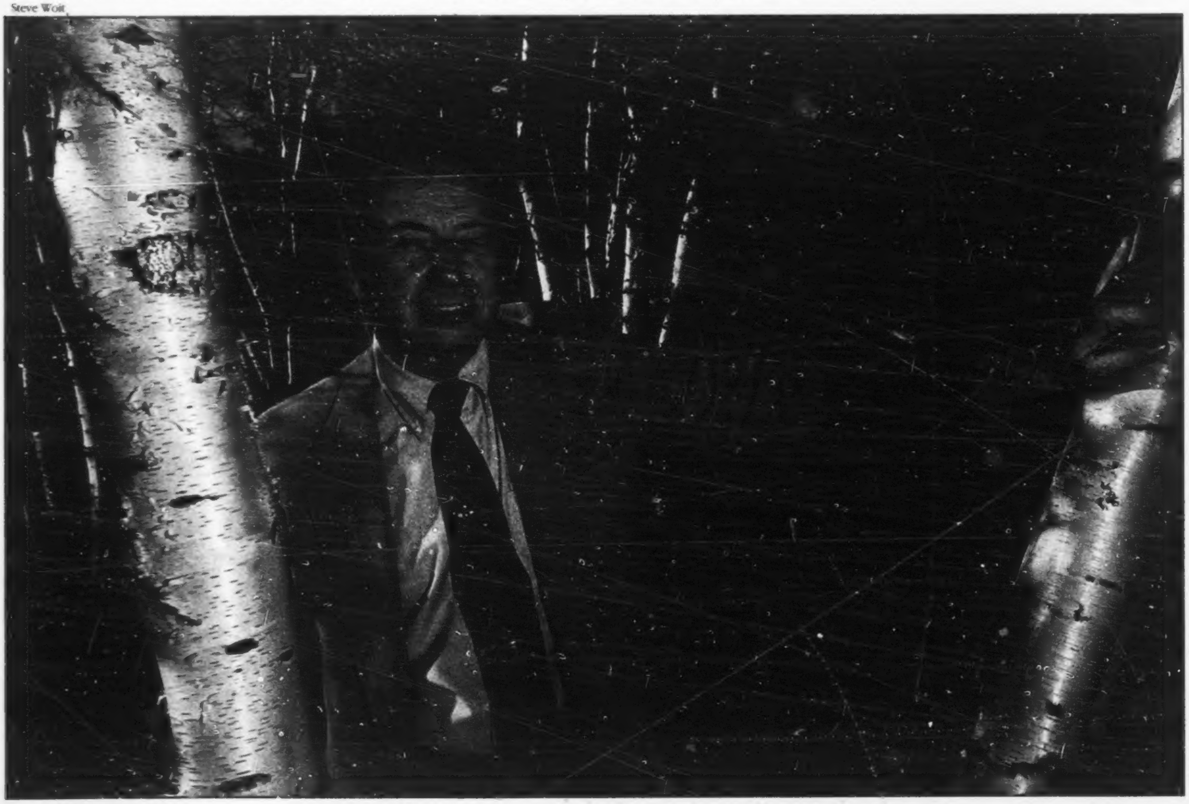
Overall, however, Renier's dismantling has paid off. Last year Honeywell earned $604 million on sales of $6 billion. Return on equity: an impressive 16.2%. As for this year, earnings could rise by up to 17%. After hitting a low point of $2.3 billion in 1987, the company's stock market value has risen to $3.5 billion ($90 a share).

James Renier

Honeywell

$2,114,000

Steve Woit



George Lange

Thanks, now get out of here

United's unions love to hate Stephen Wolf, but they can't deny the airline's impressive performance under his stewardship. Wolf grew up in a tough working-class neighborhood in Oakland, Calif., and earned a degree in sociology from San Francisco State University. He worked 15 years at American Airlines, then did short stints at Continental Airlines and Pan Am. In 1984 he moved to Republic Airlines, which he revived by slashing labor costs. He turned years of losses into record profits, paving the way for Republic's merger with Northwest Airlines. Next stop: In 1986 Wolf joined the air cargo operator Flying Tiger Line, where again he managed to extract wage concessions. For 1987 the company had record profits of $58 million, versus a loss of $45 million in 1986. Unlike some chief executives, Wolf doesn't shy away from staring down his workers.

United has severely tested all of Wolf's airline experience. It began to get into trouble almost as soon as airline deregulation started, with its domestic market share dropping from 23% in 1978 to 17% in 1987. Under Chairman Richard Ferris, United had changed its name to Allegis Corp. to reflect its strategy of becoming a travel services company that included not only United Airlines but also Hertz rental cars and Hilton International and Westin Hotels.

But the Allegis approach didn't work; it caused the airline to lose its focus. For 1986 the carrier reported a loss of $113 million on revenues of $7.1 billion. In June 1987 the United board ousted Ferris and began to implement a strategy of selling off all nonairline assets. Out went Hertz, Westin Hotels and Hilton International, bringing $3.7 billion in much needed cash.

In came Wolf, and he used the airline's new cash hoard to modernize United's jet fleet. The latest big order, in 1989, was for 370 new aircraft. The tab: $16 billion. Wolf also began to focus on UAL's strength—its Far East route system, which had been bought from Pan Am in 1986. With United's transpacific traffic growing 23% a year, the airline boosted its Asian capacity 25% last year, and a projected 25% to 30% more this year. Minihubs in Seoul and Taipei will be up and running soon to complement UAL's major hub in Tokyo.

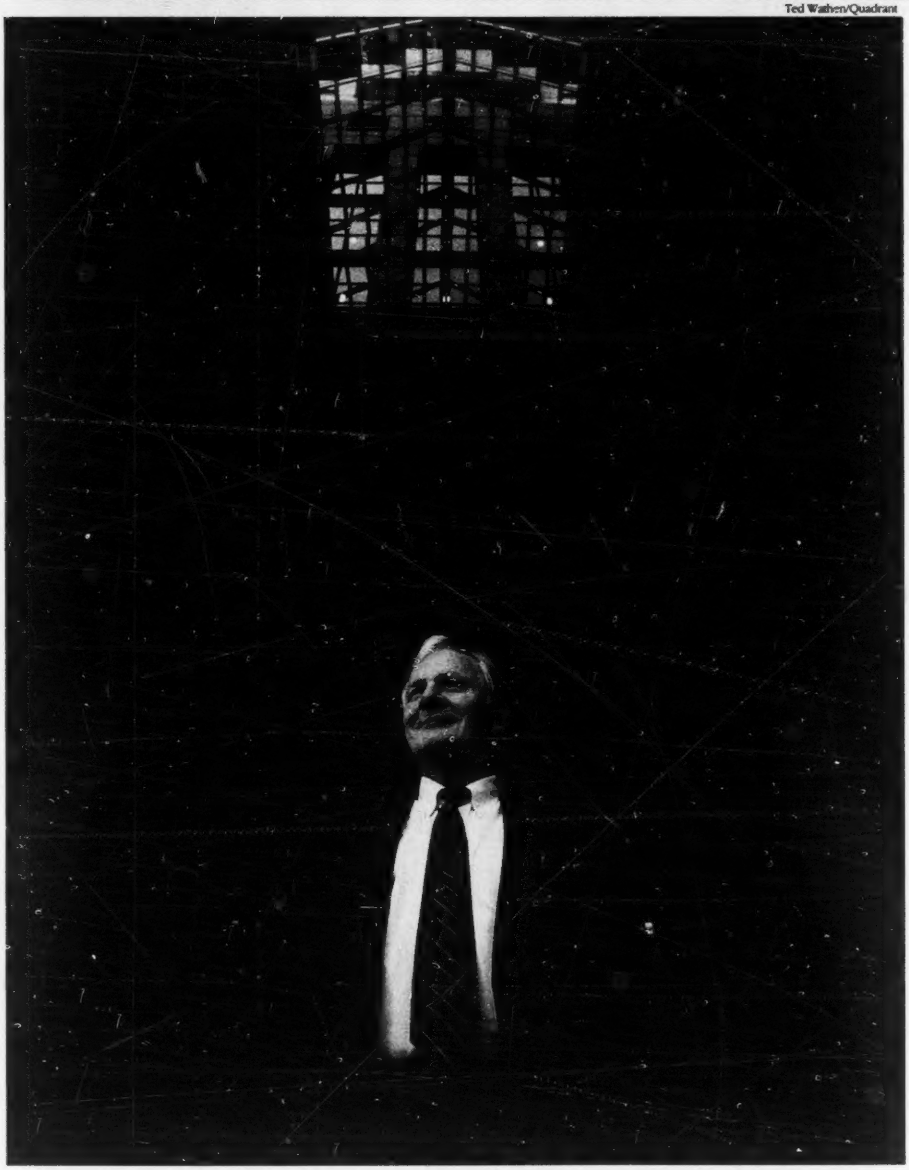
Stephen Wolf

United Airlines

$1,287,000

Despite Wolf's failure to negotiate wage cuts with United's 71,000 employees, UAL has rebounded smartly. After reporting losses of $4 million in 1987, United's parent company, UAL Corp., reported profits of $600 million in 1988 and $324 million last year.

But the story may not have a happy ending for Stephen Wolf. A $6.6 billion management-led buyout fell apart last October when the would-be buyers were unable to secure financing. But in March UAL's largest shareholder, Condor Partners, with an 11.8% stake, supported employee groups in their launch of a $4.3 billion buyout plan. The board of directors recently approved. If the erstwhile new owners can arrange financing—and that is a big if—Wolf could soon be out of a job.



Ted Wathen/Quadrant

David A. Jones

Humana

$2,526,000

Patience and patients

What almost crippled Humana four years ago? Getting into the health insurance business. What helped turn it around? Getting into the health insurance business.

David A. Jones, 58, chief executive and cofounder of Humana, saw health insurance as a potential feeder system that could guarantee a steady influx of patients for Humana's 85 hospitals. Great idea on paper. But when Jones first tried it on a large scale in the early 1980s, it was a disaster.

Humana first signed contracts with state and local governments, agreeing to provide hospital care for a fixed cost to a population of indigent patients in Louisville, Ky., Humana's hometown. That worked fine.

Then, in 1984, Jones decided to try offering health insurance and health care plans nationwide. But initial projections were overly optimistic about the number of people who would sign up for the plans. Also, Jones hoped that some three-quarters of enrollees who required hospitalization would use Humana's hospitals; but only 45% did.

It should have been no surprise: The plans were offered in some markets where there weren't any Humana hospitals to go to. What's more, even in those markets where there were Humana hospitals, lax controls allowed patients to easily go to rival facilities.

By 1986, when the company was celebrating its silver anniversary, there wasn't much to celebrate. For the first time in its history, Humana's earnings declined, falling 75% after Humana wrote off $130 million, mostly health insurance losses. The company's market value tumbled from $3.6 billion to $1.9 billion.

Jones, a CPA with a law degree from Yale, didn't give up. To make sure patients landed in Humana hospitals, the company tightened its controls and negotiated contracts with over 15,000 physicians. Jones also made efforts to insure mainly people living within range of Humana facilities.

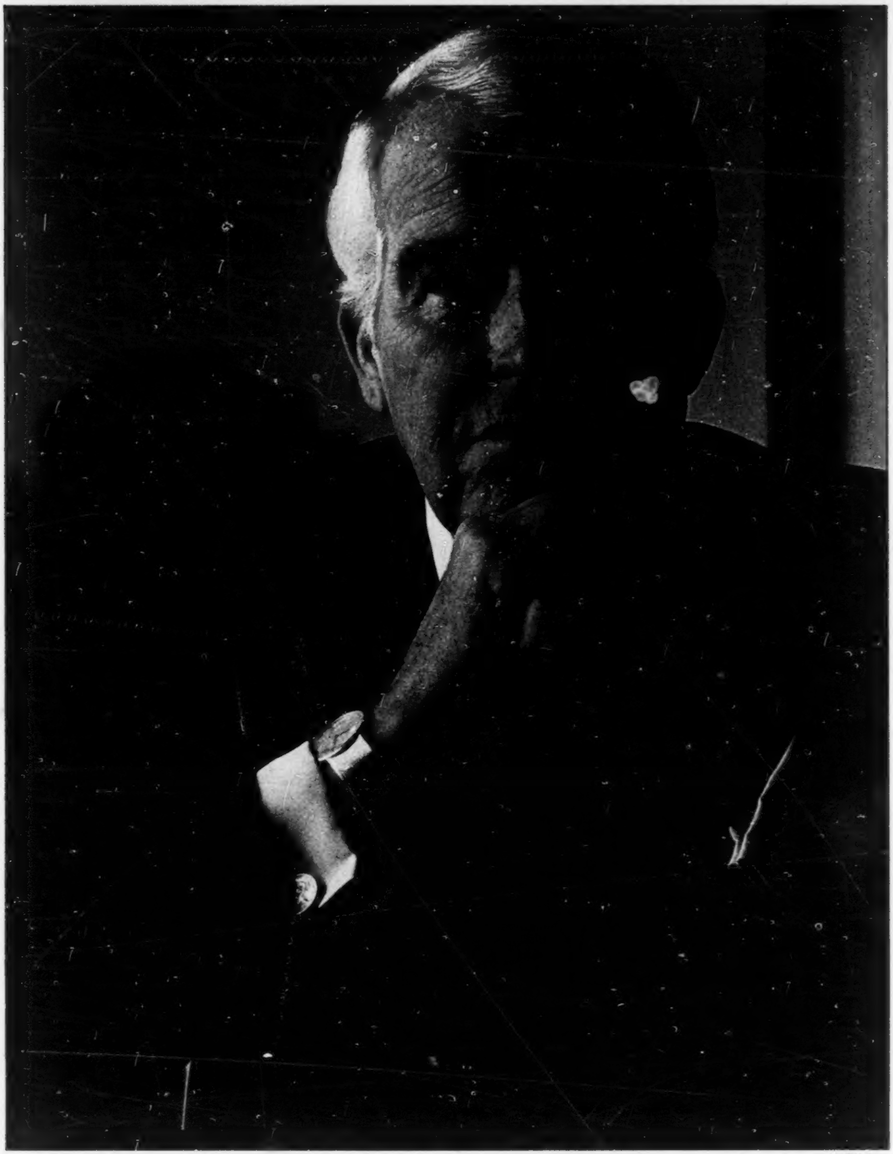
Now the health and insurance plans are filling the company's hospital beds as intended. Today some 70% of the company's insurance customers that require hospitalization use Humana hospitals. The company also reworked some of its fees and expanded enrollment, to more than a million members. Humana has even signed up hospitals outside its network to provide care—at reduced rates, of course.

Both Humana's health insurance and health care plans are now profitable. Humana's earnings, meanwhile, recovered to a record $256 million on revenues of $4.1 billion in the fiscal year ended last August. Shareholders are feeling much better, too, with Humana stock recently trading at 41, up from a low of 19 in 1986. The company's market value is now about $4 billion.

W. Ray Wallace

Trinity Industries

$5,100,000



Jeff Baker

Order breaks out

One company's pleasure is another company's pain. Take the case of Dallas-based Trinity Industries. Unlike another turnaround story, Chicago's GATX *(see p. 244)*, Trinity decided to remain—and expand—in the railcar manufacturing business in the early 1980s, even though the business was a mess. In 1983, U.S. railcar production sank to 5,800 cars, down sharply from 96,000 four years earlier.

Trinity felt the pinch, reporting a loss of $6 million on sales of $455 million for the fiscal year ending Mar. 31, 1985. It was the company's first loss in 27 years.

The man in charge then and now is W. Ray Wallace. "We knew that railcars was not a business that would be gone forever," explains Wallace, 67, in his soft Texas drawl. "We also knew you didn't often get opportunities to acquire large portions of the industry at reasonable prices."

Wallace's optimism was based on an instinctive feel for the business. He knew that there are about 1.25 million railcars in the U.S., and they eventually need to be replaced. Replacement can be postponed, but not forever. Thus, after several depressed years, sales rebounded. Now they are booming. Last year, for example, railcar deliveries jumped 24%, to some 30,000 units. Demand is expected to go even higher before long.

Convinced that the jump in orders would eventually come, Wallace resolved back in the early 1980s to be one of the industry's survivors. After 44 years at Trinity and 32 years as the company's chief executive, Wallace moved with stealth. He quietly took cash from Trinity's profitable container and structural steel businesses and bought up four of his company's rivals, including Pullman Standard, once the largest manufacturer of freight cars in the U.S. In the mid-1980s the number of railcar producers fell from 17 to 6. Trinity, meanwhile, tripled its capacity, enabling the company to make 25,000 railcars a year, about 50% of U.S. capacity for non-passenger railcars, Trinity's specialty.

Wallace figures that during the early 1990s there should be demand for 40,000 to 50,000 new railcars a year. Already the business has picked up, pushing Trinity's overall sales up by 30%, to $1.3 billion, for the fiscal year ending Mar. 31, 1990; earnings for the same period are expected to jump 17%, to about $35 million. The following year they could reach $45 million.

Could there be another shock around the corner? Unlikely. The 1980s railcar glut was caused largely by tax shelters and favorable depreciation rules, both of which have been tightened up. Says Wallace, "We are now back into an orderly replacement market." Orderly, and increasingly profitable.

Corporate America's Most Powerful People

THE PAY

Here is the most comprehensive report to date on the 1989 compensation granted to America's top corporate executives. These 800 chieftains earned $712 million in salaries and bonuses last year, plus a further $291 million in stock gains, mainly from exercising options. Add it up. A cool $1 billion, divided among 800 individuals.

Too much? Some would say so, but when stacked against their companies' combined profits of $175 billion and revenues of $3.46 trillion it doesn't seem so high. A penny on every 2½ profit dollars; a penny on every 49 revenue dollars. Where the chief executive's efforts made a visible improvement in profits, these efforts are clearly worth a lot of money.

Not every executive on this list deserved what he got. There seems to be a feeling that if you head a big company you should earn at least $1 million a year: A surprising 347 of our 800 reached or topped that figure. Many of those who got there did so with the help of stock gains, but 239 executives made $1 million or more in salary and bonuses alone, up from 208 last year.

With few exceptions, the 800 executives listed below run America's largest companies. The table is organized alphabetically by company name. To see where each chief executive stands, simply check the right-hand page for the column labeled "Rank among 800 execs." That shows how the total compensation of each corporate chief compares with the other 799. Think of it as a scorecard.

The "Salary + bonus" category includes all cash, deferred salary and bonus payments in 1989, as well as

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years)	
					with firm	as CEO
Abbott Laboratories/Duane L Burnham	48	Excelsior MN	Minnesota, BS '63/Minnesota, MBA '72	financial	8	‡
Aetna Life & Cas/James T Lynn	63	Cleveland OH	Case Western Res, BA '48/Harvard, LLB '51	legal	12	5
HF Ahmanson/Richard H Deihl	61	Whittier CA	Whittier, BA '49	banking	31	6
Air Prods & Chems/Dexter F Baker	63	Worcester MA	Lehigh, BA '50/Lehigh, MBA '57	technical	38	3
Albertson's/Warren E McCain	64	Logan KS	Oregon St, AA '48	operations	39	13
Alco Standard/Ray B Mundt	61	Appleton WI	Wis Milw, BS '53	operations	20	10
Alexander & Alexander/Tinsley H Irvin	56	Cornelia GA	Georgia St, BBA '55	insurance	37	3
Alexander & Baldwin/Robert J Pfeiffer	70	Fiji		operations	30	10
Allegheny Ludlum/Richard P Simmons	59	Bridgeport CT	MIT, BS '53	operations	22	9
Allegheny Power/Klaus Bergman	59	Germany	Columbia, AB '53/Columbia, LLB '55	legal	18	5
Allergan/Gavin S Herbert	58	Los Angeles CA	USC, BS '54	administration	40	30
Allied-Signal/Edward L Hennessy Jr	62	Boston MA	Fairleigh Dickinson, BA '55	financial	11	11
Alltel/Joe T Ford	52	Conway AR	Arkansas, BS '59	administration	31	3
Alcoa/Paul H O'Neill	54	St Louis MO	Cal St Fresno, BA '60/Indiana, MPA '66	administration	3	3
ALZA Corp/Martin S Gerstel	48	Norwalk CT	Yale, BS '64/Stanford, MBA '68	financial	22	3
AMAX/Allen Born	56	Durango CO	Texas El Paso, BS '58	technical	23	4
AmBase/George T Scharffenberger	71	Hollis NY	Columbia, BS '40	financial	5	‡
Amdahl/John C Lewis	54	Livingston MT	Cal St Fresno, BS '57	marketing	13	7
Amerada Hess/Leon Hess*	76	Asbury Park NJ		administration	44	25
American Brands/William J Alley	60	Vernon TX	Oklahoma, BBA '51/Oklahoma, JD '54	insurance	23	3
American Capital/Jack D Burstein	44	Poland	CUNY City Col, BA '66	financial	6	6
American Cyanamid/George J Sella Jr	61	New York NJ	Princeton, BS '50/Harvard, MBA '52	operations	36	7
American Electric/Willis S White Jr	63	Portsmouth VA	Virginia Polytech, BS '48/MIT, MS '58	technical	42	14
American Express/James D Robinson III	54	Atlanta GA	Georgia Tech, BS '57/Harvard, MBA '61	financial	19	13
American Family/John B Amos*	65	Enterprise AL	Miami, BA '44/Florida, JD '49	legal	35	35
American General/Harold S Hook	58	Kansas City MO	Missouri, BS '53/Missouri, MA '54	insurance	20	12

*Company founder. ‡New CEO, less than six months' service.

directors' fees and commissions. The "Other" column includes payments made under long-term compensation plans, restricted stock awards vested or released from restrictions in 1989, thrift plan contributions, company-paid health and insurance plans and other benefits such as an automobile allowance.

In the "Stock gains" column you can find the net value in shares or cash realized from the exercise of stock options (or stock appreciation rights) executed during the fiscal year. Note that these gains are not always in cash, since many executives, including Coca-Cola's Roberto C. Goizueta, hold on to their shares.

Craig McCaw, head of McCaw Cellular Communications, was the nation's most highly compensated executive last year, earning $289,000 in salary and bonuses, and $53 million in stock gains.

McCaw aside, do these executives have enough faith in their own companies to invest a substantial portion of their net worth in them? Some do, some don't. The 800 as a group own $32 billion of their companies' stock—an average of $40 million worth. The column headed "Stock owned" shows the value of each executive's holdings as a percentage of his firm's total market value.

In determining stock holdings we include shares of beneficial interest and shares held by an executive's wife and children, even if ownership is legally disclaimed. Shares held by family members active in the business or by foundations are not included. Also excluded, where possible, is stock with shared voting and investment power that could not be specifically attributed to the chief executive.

Compensation					Rank among 800 execs	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)		%	mkt val (mil)	sales (mil)	profits (mil)	Company
$850	NA	$3	$431	$1,284††	248	0.03%	$4.4	$5,380	$859.8	Abbott Laboratories
1,052	–7%	224	848	2,123	103	0.03	1.3	19,671	639.4	Aetna Life & Cas
1,189	16	17	437	1,644	171	0.19	3.1	4,372	193.9	HF Ahmanson
1,019	2	18	1,683	2,720	68	0.27	7.6	2,654	210.4	Air Prods & Chems
1,058	9	22	—	1,080	322	0.51	18.9	7,423	196.6	Albertson's
1,186	–16	—	63	1,248	260	0.51	6.4	4,207	110.3	Alco Standard
652	41	6	—	658	507	0.12	1.2	1,249	59.0	Alexander & Alexander
1,473	11	509	3,476	5,459	20	0.41	5.7	620	202.7	Alexander & Baldwin
916	4	10	—	926	387	29.51	273.6	1,180	133.8	Allegheny Ludlum
439	34	—	—	439	653	‡	0.1	2,258	194.9	Allegheny Power
402	NA	2	355[2]	759	461	0.64	6.5	807	57.3	Allergan
1,675	8	1,677	—	3,352	47	0.09	4.4	11,942	528.0	Allied-Signal
725	11	49	—	774	453	0.36	7.6	1,226	153.9	Alltel
1,307	17	13	—	1,320	236	‡	§	10,910	944.9	Alcoa
324	NA	—	—	324	730	0.32	3.6	82	18.8	ALZA Corp
1,185	–7	113	—	1,298	243	0.01	0.2	3,892	360.4	AMAX
1,544	NA	190	—	1,735††	151	1.49	3.3	3,526	96.0	AmBase
865	–7	621	—	1,486	202	0.07	1.1	2,101	153.0	Amdahl
300	0	10	—	310	735	12.71	473.1	5,589	476.3	Amerada Hess
1,542	14	175	408	2,125	102	0.03	1.5	7,265	630.8	American Brands
516	38	16	—	532**	584	4.51	0.3	647	–21.6	American Capital
1,063	–37	573	525	2,161	98	0.04	2.1	4,825	292.0	American Cyanamid
656	6	6	—	662	504	0.02	0.9	5,140	628.9	American Electric
2,600	–6	937	—	3,537	45	0.13	14.9	25,047	1,157.0	American Express
4,629	25	60	119	4,809	27	2.30	25.7	2,438	80.8	American Family
1,234	13	119	—	1,353	226	0.13	5.9	4,227	464.0	American General

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. [2] Spun off from SmithKline Beckman; options exercised were for SKB shares. ‡Less than 0.01%. §Less than $100,000. **Prior-year data. ††New CEO; cash compensation is for another executive office. NA: Not available.

Corporate America's Most Powerful People

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	as CEO
American Greetings/Morry Weiss	50	Czechoslovakia	Case Western Res, BA '61	administration	29	2
American Home Prods/John R Stafford	52	Harrisburg PA	Dickinson, BA '59/Geo Washington, LLB '62	legal	20	3
American Intl Group/Maurice R Greenberg	65	New York NY	Miami, BA '48/New York Law Sch, LLB '50	insurance	29	23
American Natl Ins/Orson C Clay	59	Bountiful UT	Brigham Young, BS '55/Harvard, MBA '59	financial	20	13
American Petrofina/Ronald W Haddock	49	St Elmo IL	Purdue, BS '63	administration	4	1
American President/W Bruce Seaton	65	Philadelphia PA	UCLA, BS '49	financial	20	7
American Savings/William G Lillis	59	Ann Arbor MI	Renss Polytech, BCE '52	banking	13	‡
American Stores/Jonathan L Scott	60	Nampa ID	Idaho, BA '51	retailing	3	1
American Tel & Tel/Robert E Allen	55	Joplin MO	Wabash, BA '57	administration	33	2
AmeriFirst Bank/Alfred L Teti	55	Philadelphia PA		banking	1	1
Ameritech/William L Weiss	61	Big Run PA	Penn St, BS '51	operations	39	6
Ameritrust/Jerry V Jarrett	58	Abilene TX	Oklahoma, BBA '57/Harvard, MBA '63	banking	16	6
Ames Dept Stores/Peter B Hollis[1]	47	Newton MA	Vermont, BS '65	retailing	4	3
Amoco/Richard M Morrow	64	Wheeling WV	Ohio St, BS '48	technical	42	7
AMP/Harold A McInnes	62	Groton CT	MIT, BSME '49	operations	25	‡
AMR/Robert L Crandall	55	Westerly RI	Rhode Island, BS '57/Pennsylvania, MBA '60	financial	17	5
AmSouth Bancorp/John W Woods	58	Evanston IL	U of the South, BA '54	banking	21	18
Anadarko Petroleum/Robert J Allison Jr	51	Evanston IL	Kansas, BS '60	technical	17	11
Anchor Savings Bank/James M Large Jr	58	Philadelphia PA	Princeton, BSE '54	banking	1	1
Anheuser-Busch Cos/August A Busch III	52	St Louis MO		operations	33	15
Aon/Patrick G Ryan	53	Milwaukee WI	Northwestern, BS '59	insurance	26	8
Apple Bancorp/Jerome R McDougal	62	Lynbrook NY		banking	9	4
Apple Computer/John Sculley	51	New York NY	Brown, BS '61/Pennsylvania, MBA '63	marketing	7	7
Archer Daniels/Dwayne O Andreas	72	Worthington MN		financial	20	20
Argonaut Group/Charles E Rinsch	57	Vincennes IN	Indiana, BS '53/Stanford, MBA '60	financial	24	2
Arkla/Thomas F McLarty III	43	Hope AR	Arkansas, BA '69	administration	7	5
Armco/Robert L Purdum	54	Wilmington OH	Purdue, BS '56	technical	28	‡
Armstrong World Inds/William W Adams	56	Dubuque IA	Iowa St, BS '56	marketing	34	2
Arvin Industries/James K Baker	58	Wabash IN	DePauw, BA '53/Harvard, MBA '58	administration	35	9
Asarco/Richard de J Osborne	56	Bronxville NY	Princeton, AB '56	financial	15	4
Ashland Oil/John R Hall	57	Dallas TX	Vanderbilt, BS '55	operations	32	9
Atlantic Energy/E Douglas Huggard	56	Wilmington DE	Delaware, BME '55/Delaware, MME '60	technical	35	5
Atlantic Richfield/Lodwrick M Cook	61	Castor LA	Louisiana St, BS '50/So Methodist, MBA '65	operations	34	5
Autodesk/Alvar J Green	44	England	Eastern Michigan U, BS '74	financial	6	4
Automatic Data/Josh S Weston	61	Brooklyn NY	CUNY City Col, BS '50/U of N Zealand, MA '52	operations	20	7
Avery International/Charles D Miller	62	Hartford CT	Johns Hopkins, AB '49	marketing	26	12
Avnet/Leon Machiz	65	Brooklyn NY		marketing	38	1
Avon Products/James E Preston	57	Cleveland OH	Northwestern, BS '55	marketing	26	1
Baker Hughes/James D Woods	58	Falmouth KY	Cal St Fullerton, BA '66	financial	35	3
Bally Manufacturing/Robert E Mullane Jr	58	Cincinnati OH	Georgetown, BA '54/Harvard, MBA '56	administration	17	10
Baltimore Bancorp/Harry L Robinson	61	Baltimore MD	Baltimore Commerce, BS '72/Loyola, MBA '80	banking	43	5
Baltimore G&E/George V McGowan	62	Baltimore MD	Maryland, BS '51	technical	39	2
Banc One/John B McCoy	46	Columbus OH	Williams, BA '65/Stanford, MBA '67	banking	23	6

[1] Succeeded by Stephen L Pistner, 5/1/90. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$555	NA	$102	—	$657	508	1.21%	$12.8	$1,263	$67.6	American Greetings
1,185	10%	24	$2,105	3,314	51	0.03	4.5	6,747	1,102.2	American Home Prods
1,570	61	—	—	1,570	182	2.17	323.9	14,150	1,367.5	American Intl Group
559	–24	11	—	570	562	0.09	0.9	1,013	101.4	American Natl Ins
402	18	15	—	417	670	‡	§	3,036	119.1	American Petrofina
588	–19	67	—	654	509	0.72	3.5	2,234	11.3	American President
300	NA	132	—	432	656	0.35	§	429	2.3	American Savings
NA	0	—	—	—	—	‡	§	22,004	118.1	American Stores
1,744	36	407	—	2,151	100	‡	2.3	36,112	2,697.0	American Tel & Tel
383*	NA	100	—	483	624	‡	§	422	–134.7	AmeriFirst Bank
1,305	4	31	—	1,336	232	0.02	2.4	10,211	1,238.2	Ameritech
670	–11	26	284	980	358	0.17	1.1	1,200	115.9	Ameritrust
889	50	10	—	899**	401	0.06	§	5,295	0.2	Ames Dept Stores
1,559	22	458	187	2,204	94	0.03	6.7	23,966	1,610.0	Amoco
470	NA	57	—	527††	588	0.02	1.1	2,797	280.9	AMP
1,067	7	540	474	2,081	111	0.21	8.2	10,480	454.8	AMR
562	–1	—	—	562	566	0.23	1.2	890	63.2	AmSouth Bancorp
954	–3	—	403	1,357	225	0.54	9.1	361	48.0	Anadarko Petroleum
375*	NA	90	—	465	635	0.05	§	844	–47.5	Anchor Savings Bank
1,464	–5	21	7,397	8,882	11	1.30	137.8	9,481	767.2	Anheuser-Busch Cos
789	67	48	—	838	419	13.48	303.9	2,325	232.4	Aon
656	39	15	—	671	500	0.52	§	360	21.1	Apple Bancorp
2,251	–9	—	—	2,251	90	0.31	14.9	5,372	438.4	Apple Computer
1,338	21	—	128	1,466	205	3.34	207.0	7,745	422.3	Archer Daniels
456	44	—	—	456	643	0.15	1.0	546	81.6	Argonaut Group
483	–3	80	—	562	567	0.07	1.3	2,246	–84.3	Arkla
490	NA	96	294	880††	409	0.06	0.5	2,423	165.0	Armco
580	17	6	115	701	491	0.03	0.5	2,513	187.6	Armstrong World Inds
460	NA	5	234	699	495	0.64	1.9	1,541	18.4	Arvin Industries
1,058	7	6	18	1,082	321	0.06	0.7	2,211	231.2	Asarco
937	–6	7	691	1,635	173	0.08	1.6	8,047	12.3	Ashland Oil
325	NA	9	—	334	725	0.05	0.4	705	81.0	Atlantic Energy
1,930	19	73	349	2,352	82	0.04	6.7	15,351	1,953.0	Atlantic Richfield
233	NA	—	—	233**	760	0.06	0.6	179	46.4	Autodesk
669	17	1	—	671	501	0.32	11.7	1,689	196.2	Automatic Data
1,004	12	53	1,064	2,121	104	0.24	2.7	1,732	86.5	Avery International
926	2	—	—	926	386	0.17	1.8	1,801	63.4	Avnet
844	15	40	—	884	407	0.34	6.7	3,300	54.6	Avon Products
1,108	9	—	—	1,108	311	0.16	4.9	2,341	92.6	Baker Hughes
1,680	–8	146	728	2,554	74	2.33	7.4	2,069	25.8	Bally Manufacturing
325	11	—	8	334	724	0.23	0.3	338	17.3	Baltimore Bancorp
455	7	45	—	500	610	0.08	2.0	2,004	276.3	Baltimore G&E
1,076	8	—	80	1,156	291	0.22	8.1	3,163	348.2	Banc One

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. *Annualized salary. ‡Less than 0.01%. §Less than $100,000. **Prior-year data. ††New CEO; cash compensation is for another executive office. NA: Not available.

Corporate America's Most Powerful People

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years)	
					with firm	as CEO
Banco Popular PR/Richard L Carrion	37	San Juan PR	Pennsylvania, BS '75/MIT, MA '76	banking	14	1
Bancorp Hawaii/H Howard Stephenson	60	Wichita KS	Michigan, BA '50/Missouri, JD '58	banking	31	1
Bandag/Martin G Carver	42	Davenport IA	U of Iowa, BA '70/Indiana, MBA '72	financial	11	8
Bank of Boston/Ira Stepanian	54	Cambridge MA	Tufts, BA '58/Boston C, MBA '71	banking	27	3
Bank of New England/Lawrence K Fish	45	Chicago IL	Drake, BA '66/Harvard, MBA '68	banking	‡	‡
Bank of New York/John Carter Bacot	57	Utica NY	Hamilton, AB '55/Cornell, LLB '58	financial	30	8
Bank South/Robert P Guyton	53	Blue Mountain MS	Mississippi, BA '58/Harvard, MBA '66	banking	10	9
BankAmerica/Richard M Rosenberg	60	Fall River MA	Suffolk U, BS '52/Golden Gate U, LLB '66	banking	4	‡
Bankers Trust NY/Charles S Sanford Jr	53	Savannah GA	Georgia, BA '58/Pennsylvania, MBA '60	banking	29	3
BanPonce/Alberto M Paracchini	58	Ponce PR	Pennsylvania, BS '53/Pennsylvania, MBA '57	financial	34	7
Barnett Banks/Charles E Rice	54	Chattanooga TN	Miami, BBA '58/Rollins, MBA '64	banking	25	11
Bausch & Lomb/Daniel E Gill	53	Ziegler IL	Northwestern, BS '58	financial	12	9
Baxter International/Vernon R Loucks Jr	55	Evanston IL	Yale, BA '57/Harvard, MBA '63	marketing	24	10
Bay View Capital/Robert E Barnes	57	Greenwich CT	Princeton, BA '55/American Grad School, MBA '61	banking	6	6
BayBanks/William M Crozier Jr	57	Brooklyn NY	Yale, BA '54/Harvard, MBA '63	banking	26	16
BB&T Financial/John A Allison	41	Charlotte NC	N Carolina, BBA '71/Duke, MBA '73	banking	19	1
Bear Stearns Cos/Alan C Greenberg	62	Wichita KS	Missouri, BA '49	sales	41	12
Becton Dickinson/Raymond V Gilmartin	49	Washington DC	Union, BSEE '63/Harvard, MBA '68	operations	14	1
Bell Atlantic/Raymond W Smith	52	Pittsburgh PA	Carnegie-Mellon, BS '59/Pittsburgh, MBA '67	operations	31	1
BellSouth/John L Clendenin	56	El Paso TX	Northwestern, BA '55	operations	35	6
Beneficial Corp/Finn M W Caspersen	48	New York NY	Brown, AB '63/Harvard, LLB '66	legal	18	14
Bergen Brunswig/Emil P Martini Jr	61	Teaneck NJ	Purdue, BS '50	technical	38	21
Berkshire Hathaway/Warren E Buffett	59	Omaha NE	Nebr Lincoln, BS '50/Columbia, MBA '51	investment	25	20
Bethlehem Steel/Walter F Williams	61	Upland PA	Delaware, BCE '51	operations	39	4
Beverly Enterprises/David R Banks	53	Arcadia WI	Arkansas, BA '59	operations	18	1
BHC Commun/Herbert J Siegel	62	Philadelphia PA	Lehigh, BA '50	administration	23	13
Bindley Western Inds/William E Bindley*	49	Terre Haute IN	Purdue, BS '61	financial	23	23
Black & Decker/Nolan D Archibald	46	Ogden UT	Weber St, BS '68/Harvard, MBA '70	marketing	5	4
H&R Block/Henry W Bloch*	67	Kansas City MO	Michigan, BS '43	administration	35	35
Blockbuster/H Wayne Huizenga	52	Evergreen Park IL		administration	3	3
Boatmen's Bancshares/Andrew B Craig III	59	Buffalo NY	Cornell, BA '55	administration	5	2
Boeing/Frank A Shrontz	58	Boise ID	Idaho, LLB '54/Harvard, MBA '58	administration	32	4
Boise Cascade/John B Fery	60	Bellingham WA	Washington, BA '53/Stanford, MBA '55	operations	33	18
Borden/Romeo J Ventres	65	Boston MA	Worcester Polytech, BS '45	operations	33	4
Boston Edison/Stephen J Sweeney	61	Winthrop MA	Mt St Mary's, BA '50	technical	37	6
Bowater/Anthony P Gammie	55	England		operations	35	7
Bristol-Myers Squibb/Richard L Gelb	65	New York NY	Yale, BA '45/Harvard, MBA '50	administration	40	13
Broad/Eli Broad*	56	New York NY	Michigan St, BA '54	financial	33	33
Brown-Forman/W L Lyons Brown Jr	53	Louisville KY	Virginia, BA '58	marketing	30	14
Brown Group/Bernard A Bridgewater Jr	56	Tulsa OK	Oklahoma, LLB '58/Harvard, MBA '64	administration	11	8
Browning-Ferris Inds/William D Ruckelshaus	57	Indianapolis IN	Princeton, BA '57/Harvard, LLB '60	legal	3	2
Bruno's/Angelo J Bruno*	65	Birmingham AL		retailing	31	13
Brunswick/Jack F Reichert	59	West Allis WI		marketing	33	8

*Company founder. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$261	54%	$25	—	$287	748	1.01%	$3.8	$631	$56.3	Banco Popular PR
697	10	214	$1,208	2,115	107	0.29	1.8	762	79.9	Bancorp Hawaii
307	21	19	—	326	728	4.81	56.0	525	75.9	Bandag
1,248	6	26	—	1,273	252	0.07	0.6	6,844	70.4	Bank of Boston
NA	NA	—	—	—	—	‡	§	3,478	–1,113.3	Bank of New England
1,165	13	58	55	1,278	250	0.19	4.1	5,497	50.7	Bank of New York
732	44	14	—	746	466	0.15	0.5	568	48.0	Bank South
1,250	NA	42	—	1,292††	244	0.01	0.8	11,389	820.0	BankAmerica
1,500	–14	74	929	2,502	79	0.09	2.5	7,258	–979.9	Bankers Trust NY
321	4	—	—	321	732	0.12	0.3	325	20.5	BanPonce
952	2	64	—	1,016	343	0.09	1.6	3,038	256.7	Barnett Banks
1,273	37	654	793	2,720	67	0.17	2.9	1,220	114.4	Bausch & Lomb
1,461	46	67	175	1,703	157	0.14	7.4	7,399	446.0	Baxter International
396	NA	10	—	406	680	0.05	§	295	16.4	Bay View Capital
469	–7	20	—	489	621	0.31	0.8	1,108	63.1	BayBanks
378	NA	10	16	404	685	0.16	0.6	512	44.2	BB&T Financial
4,529	85	—	—	4,529	31	3.27	39.4	2,427	139.8	Bear Stearns Cos
585	28	10	—	595	546	0.03	0.8	1,834	213.7	Becton Dickinson
1,234	85	68	458	1,759	145	0.01	2.0	11,449	1,074.5	Bell Atlantic
1,285	10	33	—	1,318	238	0.01	2.8	13,996	1,695.0	BellSouth
1,227	20	39	—	1,266	255	3.29	35.7	1,578	120.9	Beneficial Corp
1,097	19	—	673	1,770	141	4.56	36.3	4,161	54.5	Bergen Brunswig
100	–1	—	—	100	774	44.68	3,430.4	2,484	447.5	Berkshire Hathaway
540	7	349	19	908	395	0.02	0.3	5,251	245.7	Bethlehem Steel
433	–28	8	—	440	652	0.45	1.1	2,104	–104.2	Beverly Enterprises
13,687	NA	14	—	13,702[2]	5	‡	§	247	810.8	BHC Commun
466	NA	—	—	468	632	49.67	32.2	1,561	3.1	Bindley Western Inds
1,302	54	574	—	1,877	132	0.01	§	3,615	–11.5	Black & Decker
708	16	281	—	983	355	6.42	117.4	975	107.2	H&R Block
NA	NA	—	—	—	—	7.19	143.3	403	44.2	Blockbuster
731	16	—	—	731	476	0.02	0.2	1,476	129.2	Boatmen's Bancshares
910	8	31	226	1,167	287	‡	0.8	20,276	675.0	Boeing
1,027	–2	67	—	1,094	317	0.21	2.8	4,338	267.6	Boise Cascade
1,491	6	207	—	1,698	158	0.04	1.8	7,593	–60.6	Borden
472	54	—	—	472	629	0.01	§	1,269	–16.1	Boston Edison
683	1	31	—	714	487	0.07	0.6	1,450	144.6	Bowater
1,686	NA	1,867	—	3,555	44	0.25	69.1	9,189	747.0	Bristol-Myers Squibb
812	83	22	2,844	3,678	39	19.05	51.3	622	28.9	Broad
1,264	36	107	—	1,370	223	34.08	607.9	989	77.7	Brown-Forman
575	–29	202	11	788**	444	0.33	1.5	1,821	33.8	Brown Group
1,166	46	70	—	1,236	264	0.01	0.6	2,683	269.4	Browning-Ferris Inds
325	16	34	—	359	709	10.79	118.8	2,271	53.6	Bruno's
762	–44	372	—	1,135	301	0.56	7.3	2,826	–71.3	Brunswick

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. [2] Salary paid by Chris-Craft Inds. ‡Less than 0.01%. §Less than $100,000. **Prior-year data. ††New CEO; cash compensation is for another executive office. NA: Not available.

Corporate America's Most Powerful People

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Burlington Northern/Gerald Grinstein	57	Seattle WA	Yale, BA '54/Harvard, LLB '57	legal	3	1
Burlington Resources/Thomas H O'Leary	56	New York NY	Holy Cross, BA '54/Pennsylvania, MBA '61	banking	8	1
Cabot/Samuel W Bodman	51	Chicago IL	Cornell, BS '61/MIT, PhD '64	investment	3	2
CalFed/Jerry St Dennis	48	Tacoma WA	UCLA, BA '65/UCLA, MA '67	financial	9	‡
CalMat/A Frederick Gerstell	52	New York NY	Princeton, AB '60	administration	15	2
Campbell Soup/David W Johnson	57	Australia	U of Sydney, BE '54/Chicago, MBA '58	administration	‡	‡
Capital Cities/ABC/Thomas S Murphy	64	Brooklyn NY	Cornell, BS '45/Harvard, MBA '49	sales	36	24
Capital Holding/Irving W Bailey II	48	Cambridge MA	Colorado, BA '63/NYU, MBA '68	investment	9	2
Carnival Cruise Lines/Micky Arison	40	Israel		administration	16	11
Carolina Power & Lt/Sherwood H Smith Jr	55	Jacksonville FL	N Carolina, AB '56/N Carolina, JD '60	legal	25	11
Carter Hawley Hale/Philip M Hawley	64	Portland OR	Calif Berkeley, BS '47	retailing	32	13
Castle & Cooke/David H Murdock	67	Kansas City MO		investment	8	5
Caterpillar/George A Schaefer	61	Covington KY	St Louis, BS '51	financial	39	5
CBI Industries/John E Jones	55	Kansas City MO	Carleton, BA '56	banking	10	1
CBS/Laurence A Tisch	67	Brooklyn NY	NYU, BS '42/Pennsylvania, MA '43	financial	4	3
Cellular Commun/William B Ginsberg*	46	Childress TX	Harvard, BA '66/Harvard, PhD '71	financial	10	9
Centel/John P Frazee Jr	45	Staunton VA	Randolph-Macon, BA '66	operations	18	3
Centerior Energy/Richard A Miller	63	Cleveland OH	Case Western Res, BBA '50/Harvard, LLB '53	legal	30	2
Centex/Laurence E Hirsch	44	New York NY	Pennsylvania, BS '68/Villanova, JD '71	legal	5	2
Central & So West/Merle L Borchelt	64	Mercedes TX	Louisiana Tech, BS '49	technical	41	2
Central Bancshares/Harry B Brock Jr*	64	Fort Payne AL	Alabama, BS '49	sales	19	19
Central Fidelity Bks/Carroll L Saine	55	Lincolnton NC	Lenoir-Rhyne, BA '54/Richmond, MS '65	banking	33	9
Champion Intl/Andrew C Sigler	58	Brooklyn NY	Dartmouth, BA '53/Dartmouth, MBA '56	sales	34	16
Chase Manhattan/Willard C Butcher	63	Bronxville NY	Brown, BA '47	banking	43	10
Chemical Banking/Walter V Shipley	54	Newark NJ	NYU, BS '61	banking	34	7
Chevron/Kenneth T Derr	53	Wilkes-Barre PA	Cornell, BSME '59/Cornell, MBA '60	technical	30	1
Chiquita Brands Intl/Carl H Lindner	71	Dayton OH		financial	6	6
Chrysler/Lee A Iacocca	65	Allentown PA	Lehigh, BS '45/Princeton, ME '46	operations	12	11
Chubb/Dean R O'Hare	47	Jersey City NJ	NYU, BS '63/Pace, MBA '68	insurance	27	2
Cigna/Wilson H Taylor	46	Hartford CT	Trinity College CT, BS '64	insurance	26	2
Cincinnati Bell/Dwight H Hibbard	66	Hadley MA	MIT, BS '49	technical	41	6
Cincinnati Financial/John J Schiff*	74	Cincinnati OH	Ohio St, BS '38	insurance	40	17
Cincinnati G&E/Jackson H Randolph	59	Cincinnati OH	Cincinnati, BBA '58/Cincinnati, MBA '68	financial	31	4
Circle K/Karl Eller	61	Chicago IL	Arizona, BA '52	marketing	7	7
Circuit City Stores/Richard L Sharp	43	Washington DC		technical	7	4
Circus Circus/William G Bennett*	65	Phoenix AZ		administration	16	16
Citadel Holding/William C Walbrecher Jr	50	Baltimore MD	U of Hawaii, BS '62/Pennsylvania, MBA '78	banking	1	1
Citicorp/John S Reed	51	Chicago IL	MIT, BS '61/MIT, MS '65	banking	25	6
Citizens & Southern/Bennett A Brown	60	Kingstree SC	Presbyterian, BS '50	banking	35	12
Citizens First Bncp/Richard G Kelley	58	Hyannis MA	Quinnipiac, BS '66/Rutgers, MBA '75	banking	20	10
Citizens Savings/Charles B Stuzin	48	Miami FL	Florida, BS '64/Miami, JD '67	legal	16	8
Citizens Utilities/Ishier Jacobson	67	Worcester MA	Harvard, LLB '51/Harvard, MS '47	administration	35	9
City National/Bram Goldsmith	67	Chicago IL		financial	15	15

*Company founder. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$1,460	8%	$9	—	$1,470	203	0.27%	$7.1	$4,606	$243.0	Burlington Northern
1,030	–22	707	—	1,757	146	0.03	1.5	1,715	458.1	Burlington Resources
442	12	18	—	459	641	0.72	5.4	1,863	13.7	Cabot
462	NA	41	—	503††	607	0.05	0.2	3,099	82.4	CalFed
708	24	—	—	708	489	0.12	1.1	669	78.1	CalMat
NA	NA	—	—	—	—	‡	§	6,003	37.1	Campbell Soup
958	6	305	—	1,263	256	0.79	76.5	4,957	485.7	Capital Cities/ABC
1,295	84	7	$74	1,375	221	0.13	2.7	2,500	275.7	Capital Holding
650	18	—	—	650	513	1.49	38.7	1,148	193.6	Carnival Cruise Lines
460	6	6	—	466	633	0.05	1.7	2,481	376.1	Carolina Power & Lt
750*	13	5	359	1,113	308	1.93	2.7	2,864	6.1	Carter Hawley Hale
1,300	–13	—	—	1,300	242	22.47	456.7	2,718	94.9	Castle & Cooke
894	35	126	519	1,539	187	0.02	1.2	11,126	497.0	Caterpillar
542	15	—	—	542	577	0.17	1.2	1,495	34.3	CBI Industries
1,326	6	34	—	1,360	224	‡	§	2,962	297.1	CBS
233	NA	—	—	233	761	1.01	11.1	84	–17.5	Cellular Commun
673	5	256	—	928	384	0.11	2.7	1,188	443.8	Centel
418	15	8	—	426	664	0.02	0.4	2,302	266.9	Centerior Energy
503	–1	30	—	533	583	‡	§	2,019	59.5	Centex
447	20	63	—	510	603	0.03	1.3	2,549	306.0	Central & So West
290	–45	3	9	302	741	5.13	15.3	476	41.9	Central Bancshares
475	0	17	—	492	617	0.20	0.8	537	54.4	Central Fidelity Bks
1,225	–11	16	520	1,761	143	0.11	2.8	5,163	432.4	Champion Intl
1,116	–20	62	289	1,467	204	0.03	1.1	13,904	–665.0	Chase Manhattan
1,120	–19	381	—	1,500	195	0.07	1.5	8,227	–482.2	Chemical Banking
940	17	94	—	1,034	340	0.02	3.9	29,443	251.0	Chevron
400	0	4	—	404	683	36.92	258.9	3,823	67.8	Chiquita Brands Intl
889	–36	19	2,414	3,322	50	0.09	3.0	34,922	359.0	Chrysler
1,073	41	109	—	1,182	285	0.03	1.0	4,023	420.8	Chubb
1,103	2	38	—	1,141	298	0.04	1.3	15,654	562.0	Cigna
1,019	58	70	557	1,646	170	0.18	2.5	900	94.4	Cincinnati Bell
609	11	—	444	1,052	334	3.82	45.4	974	114.5	Cincinnati Financial
405	33	4	—	409	678	0.02	0.3	1,438	239.7	Cincinnati G&E
718	64	—	825	1,543	186	7.10	5.0	3,731	–7.7	Circle K
767	28	—	—	767	454	1.46	17.1	1,969	72.4	Circuit City
800*	NA	—	—	800	439	17.48	260.2	522	75.1	Circus Circus
335*	NA	—	—	335	723	‡	§	481	8.1	Citadel Holding
1,484	–17	62	71	1,617	176	0.16	11.8	37,970	498.0	Citicorp
983	22	29	47	1,060	329	0.21	2.9	2,447	238.0	Citizens & Southern
717	NA	79	—	796	440	0.81	1.8	394	37.2	Citizens First Bncp
451	31	51	48	551	571	33.24	10.6	430	13.1	Citizens Savings
495	8	2	—	496**	613	0.07	1.1	339	88.7	Citizens Utilities
941	7	—	—	941	377	15.34	103.6	476	59.1	City National

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. *Annualized salary. ‡Less than 0.01%. §Less than $100,000. **Prior-year data. ††New CEO; cash compensation is for another executive officer. NA: Not available.

Corporate America's Most Powerful People

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Clark Equipment/Leo J McKernan	52	Philadelphia PA		operations	16	4
Clorox/Charles R Weaver	61	King[illegible] IN	Purdue, BS '50	marketing	37	5
CMS Energy/William T McCormick Jr	45	Washington DC	Cornell, BS '66/MIT, PhD '69	technical	5	5
Coast Savings Finl/Ray Martin	54	Nogales AZ		banking	31	6
Coastal Corp/James R Paul	55	Wichita KS	Wichita St, BS*56	financial	17	1
Coca-Cola/Roberto C Goizueta	58	Cuba	Yale, BS '53	technical	36	9
Coca-Cola Enterprises/Brian G Dyson	54	Argentina	U of Buenos Aires, BA '59	financial	31	4
Colgate-Palmolive/Reuben Mark	51	Jersey City NJ	Middlebury, BA '60/Harvard, MBA '63	marketing	27	6
Colorado Natl Bkshs/Will F Nicholson Jr*	61	Colorado Spr CO	MIT, BS '50/Denver, MBA '56	banking	20	5
Columbia Gas System/John H Croom	57	Fayetteville NC	N Carolina St, BS '54	marketing	36	6
Columbia S&L Assn/Edward G Harshfield	53	New York NY	Southeastern U, BBA '62	banking	‡	‡
Comcast/Ralph J Roberts*	70	New York NY	Pennsylvania, BS '41	administration	28	28
Comdisco/Kenneth N Pontikes*	50	Chicago IL	Southern Illinois, BA '63	marketing	21	21
Comerica/Eugene A Miller	52	Detroit MI	Detroit Tech, BBA '64	banking	35	1
Commerce Bcshs/David W Kemper	39	Kansas City MO	Harvard, BA '72/Stanford, MBA '76	banking	12	4
Commercial Federal/William A Fitzgerald	52	Omaha NE	Creighton, BS '59	banking	35	15
Commonwealth Ed/James J O'Connor	53	Chicago IL	Holy Cross, BS '58/Georgetown, JD '63	administration	27	10
Community Psych/James W Conte*	62	Des Plaines IL	Roosevelt U, BS '50/Northwestern, MS '57	administration	21	13
Compaq Computer/Joseph R Canion*	45	Houston TX	Houston, BS '66/Houston, MS '68	technical	8	8
Computer Associates/Charles B Wang*	45	China	CUNY Queens, BS '67	technical	14	14
Computer Sciences/William R Hoover	60	Bingham CanyonUT	Utah, BS '53/Utah, MS '54	technical	26	18
ConAgra/Charles M Harper	62	Lansing MI	Purdue, BS '49/Chicago, MBA '50	administration	16	14
Conseco/Stephen C Hilbert*	44	Terre Haute IN		insurance	11	11
Consolidated Edison/Arthur Hauspurg	64	New York NY	Columbia, BS '45/Columbia, MS '47	technical	21	9
Consol Freightways/Lary R Scott	54	Cleveland OH	Bowling Green State U, BS '61	operations	23	2
Consol Natural Gas/George A Davidson Jr	51	Pittsburgh PA	Pittsburgh, BS '60	technical	24	3
Consolidated Papers/George W Mead	62	Milwaukee WI	Yale, BS '50/Inst Paper Chem, MS '52	operations	38	24
Consolidated Rail/James A Hagen	58	Forrest City IA	St Ambrose, BA '56/U of Iowa, MA '58	marketing	1	1
Contel/Donald W Weber	53	Turtle Creek PA	Duquesne, BS '61	financial	26	3
Continental Bank/Thomas C Theobald	53	Cincinnati OH	Holy Cross, AB '58/Harvard, MBA '60	banking	3	3
Continental Corp/John P Mascotte	51	Fort Wayne IN	Virginia, LLB '64	insurance	9	7
Control Data/Lawrence Perlman	52	St Paul MN	Carleton, BA 'NA/Harvard, JD 'NA	legal	10	‡
Cooper Industries/Robert Cizik	59	Scranton PA	Connecticut, BA '53/Harvard, MBA '58	financial	29	15
Adolph Coors/William K Coors	73	Golden CO	Princeton, BS '38/Princeton, MSCE '39	technical	51	1
CoreStates Financial/Terrence A Larsen	43	Chicago IL	Dallas, BA '68/Texas A&M, PhD '71	financial	13	2
Corning/James R Houghton	54	Corning NY	Harvard, AB '58/Harvard, MBA '62	administration	28	7
Costco Wholesale/James D Sinegal*	54	Pittsburgh PA	San Diego State, BA '59	retailing	5	2
CPC International/James R Eiszner	62	Chicago IL	Illinois, BS '50/Chicago, PhD '52	sales	27	6
Crane/Robert S Evans	46	Pittsburgh PA	Pennsylvania, BA '66/Columbia, MBA '68	financial	16	6
Cray Research/John A Rollwagen	49	Minneapolis MN	MIT, BS '62/Harvard, MBA '64	marketing	15	10
Crestar Financial/Richard G Tilghman	49	Norfolk VA	Virginia, BA '63	banking	23	5
CrossLand Savings FSB/Maurice L Reissman	47	Brooklyn NY	CUNY Baruch, BBA '89	banking	22	3
Crown Central Pet/Henry A Rosenberg Jr	60	Pittsburgh PA	Hobart, BA '52	administration	38	19

*Company founder. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$1,540	79%	$744	$530	$2,814	61	0.15%	$1.0	$1,392	$64.9	Clark Equipment
736	79	272	486	1,494	199	0.24	5.1	1,379	130.2	Clorox
725	16	—	661	1,386	219	0.08	1.9	2,961	312.1	CMS Energy
807	30	14	182	1,003	347	0.11	0.1	1,233	–74.2	Coast Savings Finl
958	NA	15	14	987††	353	0.07	2.1	8,271	170.1	Coastal Corp
2,542	17	2,400	5,872	10,814	9	0.31	81.1	8,966	1,723.8	Coca-Cola
851	–19	15	—	865	414	0.17	3.1	3,882	71.7	Coca-Cola Enterprises
1,407	14	50	844	2,300	85	0.11	4.2	5,039	280.0	Colgate-Palmolive
320	–16	6	15	341	719	1.01	1.6	356	4.6	Colorado Natl Bkshs
736	47	47	—	783	447	0.06	1.3	3,204	145.8	Columbia Gas System
NA	NA	—	—	—	—	‡	§	1,367	–195.7	Columbia S&L Assn
467	18	343	818	1,628**	174	10.57	126.3	527	–126.9	Comcast
2,711	224	—	—	2,711	69	21.64	159.8	1,758	110.0	Comdisco
728	31	—	—	728	478	0.13	0.9	1,250	77.6	Comerica
525	22	214	—	740	469	1.23	5.5	568	59.0	Commerce Bcshs
337	–39	—	—	337	721	1.45	0.3	577	–44.1	Commercial Federal
540	10	—	—	540	579	‡	0.4	5,751	693.7	Commonwealth Ed
1,025	52	32	2,293	3,350	48	1.32	14.6	319	72.0	Community Psych
2,115	13	—	—	2,115	105	0.22	8.1	2,876	333.3	Compaq Computer
1,794	25	18	—	1,812	137	4.68	104.1	1,244	145.8	Computer Associates
725	NA	4	2,069	2,798	63	0.93	6.5	1,443	58.4	Computer Sciences
1,444	10	3,085	723	5,252	22	1.32	44.7	14,467	223.5	ConAgra
1,692	NA	—	—	1,692**	161	8.58	9.3	659	47.2	Conseco
808	9	158	—	966	369	0.01	0.7	5,551	606.1	Consolidated Edison
468	–13	192	6	667	503	0.06	0.4	3,760	8.6	Consol Freightways
520	12	71	—	591	553	0.03	1.2	2,802	181.8	Consol Natural Gas
417	8	11	—	427	663	2.77	48.3	953	167.9	Consolidated Papers
305	–32	—	—	305	737	‡	§	3,411	148.0	Consolidated Rail
804	17	51	265	1,120	305	0.04	1.5	3,114	287.0	Contel
1,150	5	4	—	1,154	292	0.05	0.4	3,203	147.3	Continental Bank
844	40	64	—	908	394	0.03	0.5	6,079	153.1	Continental Corp
658	NA	158	—	816††	427	0.17	1.3	2,935	–680.4	Control Data
1,256	2	17	—	1,273	253	0.22	9.8	5,129	267.8	Cooper Industries
345	NA	—	—	345	716	[2]	§	1,764	13.1	Adolph Coors
852	12	54	—	906	398	0.03	0.7	1,888	198.7	CoreStates Financial
925	5	51	—	976	361	0.59	25.4	2,439	259.4	Corning
346	35	81	—	427	662	3.57	40.6	3,254	30.4	Costco Wholesale
1,330	13	936	—	2,266	88	0.15	7.8	5,103	327.5	CPC International
1,043	10	—	1,689	2,732	66	2.80	20.1	1,456	55.9	Crane
420	–22	—	7	428	660	0.14	1.6	785	89.0	Cray Research
608	23	39	—	647	516	0.13	0.9	1,178	103.8	Crestar Financial
556	–11	48	—	604	541	0.38	§	1,486	–191.7	CrossLand Savings FSB
921	NA	8	—	929	383	0.20	0.6	1,403	21.0	Crown Central Pet

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. [2] Shares are held in a family trust. ‡Less than 0.01%. §Less than $100,000. **Prior-year data. ††New CEO; cash compensation is for another executive office. NA: Not available.

Corporate America's Most Powerful People

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years)	
					with firm	as CEO
Crown Cork & Seal/William J Avery	49	Chicago IL	Chicago, BS '68	operations	31	1
CSX/John W Snow	50	Toledo OH	U of Toledo, BA '62/Virginia, PhD '65	legal	13	1
Cullen/Frost Bankers/Thomas C Frost	62	San Antonio TX	Washington & Lee, BS '50	banking	40	19
Cummins Engine/Henry B Schacht	55	Erie PA	Yale, BS '56/Harvard, MBA '62	administration	26	21
Cyprus Minerals/Kenneth J Barr	63	Birmingham AL	Auburn, BS '47	operations	42	5
Dana/Southwood J Morcott	52	Covington GA	Davidson, BA '60/Michigan, MBA '63	operations	27	1
Dauphin Deposit/William J King	61	Philadelphia PA	Pennsylvania, BA '74/La Salle University, MBA '80	banking	11	4
Dayton Hudson/Kenneth A Macke	51	Templeton IA	Drake, BS '61	retailing	29	7
DCNY Corp/Edward J Sawicz	42	Buffalo NY	St Bonaventure U, BS '72/Fordham, MA '73	operations	15	1
Dean Foods/Howard M Dean Jr	53	NA	So Methodist, BBA '60/Northwestern, MBA '61	administration	35	3
Deere & Co/Hans W Becherer	55	Detroit MI	Trinity College CT, BA '57/Harvard, MBA '62	marketing	28	1
Delmarva Power & Lt/Nevius M Curtis	60	Holyoke MA	Haverford, BA '51/Stanford, MBA '56	administration	12	6
Delta Air Lines/Ronald W Allen	48	Atlanta GA	Georgia Tech, BSIE '64	administration	27	3
Deluxe/Harold V Haverty	60	Detroit MI		operations	36	4
Deposit Guaranty/Emerson B Robinson Jr	48	Centreville MS	Davidson, BS '63/Harvard, MBA '67	banking	23	6
Detroit Edison/John E Lobbia	48	Chicago IL	U of Detroit, BSEE '64	technical	26	‡
Diamond Shamrock/Roger R Hemminghaus	53	St Louis MO	Auburn, BS '58	technical	6	3
Digital Equipment/Kenneth H Olsen*	64	Bridgeport CT	MIT, BS '50/MIT, MS '52	technical	33	33
Dillard Dept Stores/William T Dillard Sr*	75	Mineral Spr AR	Arkansas, BBA '35/Columbia, MS '37	retailing	51	51
Dime Savings Bank FSB/Harry W Albright Jr	65	Albany NY	Yale, BA '49/Cornell, LLB '52	banking	15	10
Walt Disney/Michael D Eisner	48	New York NY	Denison, BA '64	operations	6	6
Dominion Bankshares/Warner N Dalhouse	55	Roanoke VA	Virginia, BS '56	marketing	34	9
Dominion Resources/William W Berry	58	Norfolk VA	Va Military Inst, BS '54/Richmond, MS '64	technical	3[illegible]	7
RR Donnelley & Sons/John R Walter	43	Pittsburgh PA	Miami of OH, BS '68	administration	21	1
Dover/Gary L Roubos	53	Denver CO	Colorado, BS '59/Harvard, MBA '63	operations	19	9
Dow Chemical/Frank P Popoff	54	Bulgaria	Indiana, BA '59/Indiana, MBA '59	marketing	31	2
Dow Jones/Warren H Phillips	63	New York NY	CUNY Queens, BA '47	journalism	43	15
Downey S&L Assn/Gerald H McQuarrie*	68	Minersville UT	Compton, BA '41	administration	33	12
DPL/Peter H Forster	48	Germany	U Wisconsin Mil, BS '64/Columbia, JD '72	operations	17	5
DQE/Wesley W von Schack	46	New York NY	Fordham, AB '65/St John's, MBA '72	financial	6	4
Dresser Industries/John J Murphy	58	Olean NY	Rochester Ins Tech, BS '52/So Methodist, MBA '81	operations	38	7
Dreyfus/Howard Stein	63	New York NY		investment	35	19
EI du Pont de Nemours/Edgar S Woolard Jr	56	Washington NC	N Carolina St, BS '56	operations	32	1
Duke Power/William S Lee	60	Charlotte NC	Princeton, BS '51	technical	35	8
Dun & Bradstreet/Charles W Moritz	53	Washington DC	Yale, BA '58	marketing	30	5
E-Systems/Edwin G Keiffer	60	Dallas TX	So Methodist, BSEE '55/So Methodist, MSEE '62	technical	40	1
Eastman Kodak/Colby H Chandler	65	Strong ME	Maine, BS '50/MIT, MS '63	technical	40	7
Eaton/James R Stover	63	Marion IN	George Washington, LLB '55	operations	35	4
EG&G/John M Kucharski	54	Milwaukee WI	Marquette, BS '58/George Washington, JD '65	technical	18	3
Emerson Electric/Charles F Knight	54	Lake Forest IL	Cornell, BME '58/Cornell, MBA '59	administration	17	17
Engelhard/Orin R Smith	54	Newark NJ	Brown, BA '57/Seton Hall, MBA '64	marketing	13	6
Enron/Kenneth L Lay	48	Tyrone MO	Missouri, BA '64/Houston, PhD '70	administration	6	6
Enserch/William C McCord	62	San Antonio TX	Texas A&M, BA '49	technical	41	19

*Company founder. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$352	–23%	$1	$1,830	$2,183	97	0.24%	$4.0	$1,910	$94.2	Crown Cork & Seal
889	9	—	178	1,066	328	0.03	1.1	7,745	452.0	CSX
347	14	21	—	368	704	4.69	3.8	350	2.7	Cullen/Frost Bankers
528	17	411	—	939	379	0.09	0.4	3,511	–6.1	Cummins Engine
734	41	3	599	1,336	231	0.17	1.8	1,790	250.1	Cyprus Minerals
561	NA	258	104	923	388	0.10	1.3	5,157	132.1	Dana
423	8	—	2	425	666	0.08	0.3	329	44.4	Dauphin Deposit
1,447	24	3	—	1,450	211	0.10	4.8	13,644	410.0	Dayton Hudson
300	NA	—	—	300	742	0.17	0.1	281	–1.9	DCNY Corp
567	3	369	114	1,050	335	0.62	5.3	1,783	61.5	Dean Foods
769	NA	4	205	978	359	0.02	0.9	7,488	410.4	Deere & Co
360	10	—	—	360	708	0.01	0.1	790	91.3	Delmarva Power & Lt
672	47	239	503	1,414	214	0.02	0.6	8,572	473.2	Delta Air Lines
597	17	47	—	644	518	0.05	1.3	1,316	152.6	Deluxe
255	13	11	—	266	755	0.41	0.8	385	31.7	Deposit Guaranty
317	NA	7	—	324††	731	‡	0.2	3,203	426.0	Detroit Edison
596	4	10	136	742	467	0.11	0.7	2,091	60.1	Diamond Shamrock
950	2	—	—	950	375	1.99	204.0	12,937	875.8	Digital Equipment
1,619	36	97	—	1,716	155	3.88	99.7	3,049	148.1	Dillard Dept Stores
500	–10	15	—	515	601	0.28	0.5	1,151	–89.8	Dime Savings Bank FSB
9,589	28	6	—	9,595	10	0.28	42.6	4,839	729.4	Walt Disney
712	41	6	—	719	484	0.11	0.6	1,059	94.1	Dominion Bankshares
587	5	—	—	587	555	0.02	0.7	3,700	410.7	Dominion Resources
629	55	76	85	790	443	0.04	1.3	3,122	221.9	RR Donnelley & Sons
725	–22	390	—	1,115	307	0.09	2.1	2,120	144.0	Dover
963	–7	364	919	2,246	91	0.02	4.8	17,600	2,487.0	Dow Chemical
730	5	542	—	1,322	235	0.04	1.1	1,688	317.0	Dow Jones
416	–49	—	—	416	672	11.67	30.6	383	2.7	Downey S&L Assn
568	67	—	—	568	564	0.02	0.2	956	136.4	DPL
337	29	—	—	337	720	0.02	0.2	1,121	113.0	DQE
994	2	27	946	1,967	122	0.09	2.8	3,982	161.2	Dresser Industries
2,384	56	1,187	—	3,571	42	2.83	36.3	272	147.9	Dreyfus
1,287	23	9	1,272	2,569	72	0.08	20.0	35,099	2,480.0	EI du Pont de Nemours
497	4	138	—	635	524	0.05	2.5	3,639	571.6	Duke Power
1,272	14	478	—	1,750	147	0.04	2.9	4,322	586.4	Dun & Bradstreet
753	–20	408	57	1,218	267	0.14	1.2	1,626	83.0	E-Systems
1,042	–17	—	109	1,151	295	‡	1.1	18,398	529.0	Eastman Kodak
1,150	0	11	509	1,670	167	0.12	2.4	3,671	224.9	Eaton
456	–33	—	136	592	550	0.05	0.5	1,650	69.9	EG&G
1,777	6	10	—	1,787	139	0.21	18.4	6,998	593.1	Emerson Electric
967	11	3	—	970	367	0.42	3.5	2,403	–77.5	Engelhard
1,365	40	129	554	2,049	117	0.24	6.3	9,836	226.1	Enron
744	14	7	181	932	381	0.04	0.6	2,742	73.4	Enserch

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. ‡Less than 0.01%. ††New CEO; cash compensation is for another executive office. NA: Not available.

Corporate America's Most Powerful People

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years)	
					with firm	as CEO
Enstar Group/Richard J Grassgreen	50	New York NY	U of Iowa, LLB '64	legal	21	1
Entergy/Edwin Lupberger	53	Atlanta GA	Davidson, BA '58/Emory, MBA '63	financial	11	4
Equimark/Alan S Pellheimer	47	Philadelphia PA	Temple, BA '68/Temple, JD '71	legal	6	5
Equitable of Iowa/Frederick S Hubbell	39	Des Moines IA	N Carolina, BA '73/U of Iowa, JD '76	legal	7	1
Ethyl/Floyd D Gottwald Jr	67	Richmond VA	Va Military Inst, BS '43/Richmond, MS '51	administration	47	20
Exxon/Lawrence G Rawl	62	Lyndhurst NJ	Oklahoma, BS '52	technical	38	3
Farm & Home Finl/Daniel C Arnold	60	Houston TX	Texas, BBA '51/Texas, LLB '53	banking	1	1
FarWest Financial/Fred Kayne	51	Chicago IL	MIT, BS '60	banking	3	2
Federal Express/Frederick W Smith*	45	Marks MS	Yale, BA '66	technical	19	19
Federal Natl Mortgage/David O Maxwell	60	Philadelphia PA	Harvard, LLB '55	legal	9	9
Federal Paper Board/John R Kennedy	59	New York NY	Georgetown, BS '52	sales	39	15
Fieldcrest Cannon/Joseph B Ely II	51	Boston MA	Boston U, BS '65/Boston U, PhD '81	administration	13	5
Fifth Third Bancorp/Clement L Buenger	64	Fort Thomas KY	Xavier, BA '50	banking	21	9
Fin Cp Santa Barbara/Philip R Brinkerhoff	47	Wilmington NC	Brigham Young, BS '66/Harvard, JD '69	financial	5	5
First Alabama Bcshs/Willard L Hurley	63	Gainesville GA	Huntingdon, BA '50	banking	32	6
First American Corp/Kenneth L Roberts	57	Dungannon VA	Vanderbilt, BA '54/Vanderbilt, LLB '59	banking	14	13
First Bncp Ohio/Howard L Flood	55	Staten Island NY		banking	27	5
First Bank System/John F Grundhofer	51	Los Angeles CA	Loyola, BA '60/USC, MBA '64	banking	‡	‡
First Capital Holding/Robert I Weingarten*	48	Brooklyn NY	CUNY City Col, BBA '62	investment	19	7
First Chicago/Barry F Sullivan	59	Bronx NY	Columbia, BA '55/Chicago, MBA '57	banking	10	10
First Citizens Bcshs/Lewis R Holding	62	Smithfield NC	N Carolina, BS '50/Harvard, MBA '52	financial	37	33
First City Bncp Texas/A Robert Abboud	60	Boston MA	Harvard, BS '51/Harvard, LLB '56	financial	3	2
First Commerce/Ian Arnof	50	Memphis TN	Vanderbilt, BA '61/Harvard, MBA '63	banking	12	7
First Empire State/Robert G Wilmers	56	New York NY	Harvard, BA '56	banking	8	7
First Executive/Fred Carr	59	Los Angeles CA		financial	16	16
First Fidelity Bncp/Anthony P Terracciano	51	Bayonne NJ	St Peter's, BS '60/Fordham, MA '62	banking	‡	‡
First Financial Mgmt/Patrick H Thomas	47	Atlanta GA	Georgia St, BS 'NA/Georgia St, MS 'NA	banking	19	16
First Florida Banks/A Bronson Thayer	50	Mineola NY	Harvard, BA '61/NYU, MBA '67	financial	8	7
First Hawaiian/Walter A Dods Jr	49	Honolulu HI	U of Hawaii, BBA '67	marketing	21	1
First Interstate Bncp/Joseph J Pinola	65	Pittston PA	Bucknell, BA '49	banking	14	12
First of America Bank/Daniel R Smith	56	Kalamazoo MI	Western Michigan, BBA '55	banking	34	5
First Security/Spencer F Eccles	55	Ogden UT	Utah, BS '56/Columbia, MA '59	banking	31	9
First Tennessee Natl/Ronald Terry	59	Memphis TN	Memphis St, BS '52	banking	33	17
First Union/Edward E Crutchfield Jr	48	Dearborn MI	Davidson, BA '63/Pennsylvania, MBA '65	banking	25	6
First Virginia Banks/Robert H Zalokar	63	West Mineral KS	Kansas, BS '50	banking	35	5
First Wachovia/John G Medlin Jr	56	Benson NC	N Carolina, BS '56	banking	31	13
Firstar/John H Hendee Jr	64	Milwaukee WI	Williams, BA '49/Wisconsin, MBA '56	banking	41	2
FirstFed Michigan/Carlos G Harling	44	Gainesville FL	Florida, BBA '68/Wayne State, MBA '69	financial	11	‡
FirsTier Financial/David A Rismiller	54	Baltimore MD	Ohio St, BS	banking	2	1
Fleet/Norstar Finl/Terrence Murray	50	Woonsocket RI	Harvard, BA '62	banking	28	8
Fleetwood Enterprises/John C Crean*	64	Bowden ND		administration	40	40
Fleming Cos/E Dean Werries	61	Tescott KS	Kansas, BS '52	operations	36	2
FlightSafety Intl/Albert L Ueltschi*	73	Frankfort KY		technical	39	39

*Company founder. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
NA	0	—	—	—	—	1.73%	$11.0	$659	$-150.7	Enstar Group
$691	87%	$12	—	$703	490	‡	0.1	3,724	-472.6	Entergy
1,146	4	70	—	1,216	268	2.01	2.0	447	22.4	Equimark
378	NA	4	—	381	692	0.42	0.9	587	20.6	Equitable of Iowa
861	8	10	—	871	413	5.12	153.5	2,432	219.5	Ethyl
1,385	2	73	—	1,458	208	0.01	6.5	86,656	2,975.0	Exxon
228	-32	—	—	228	762	1.13	0.5	308	-27.4	Farm & Home Finl
450*	-17	—	—	450	645	0.51	§	555	-11.1	FarWest Financial
880	36	—	—	880	410	8.16	235.4	6,769	113.6	Federal Express
1,318	32	832	$2,632	4,782	28	0.04	3.6	11,557	807.3	Federal Natl Mortgage
1,627	-5	45	2,845	4,517	32	2.04	16.9	1,310	205.5	Federal Paper Board
739	NA	—	—	739	471	‡	§	1,362	23.4	Fieldcrest Cannon
764	20	—	209	973	362	0.42	5.4	768	108.[illegible]	Fifth Third Bancorp
356*	-15	—	—	356	711	2.38	§	460	-30.0	Fin Cp Santa Barbara
563	3	29	157	749	465	0.09	0.4	568	62.6	First Alabama Bcshs
375	-6	37	82	494	614	0.48	1.5	751	4.2	First American Corp
293	1	4	—	297	745	0.08	0.3	329	38.6	First Bncp Ohio
NA	NA	—	—	—	—	‡	§	2,500	2.4	First Bank System
1,900	32	4	—	1,904	129	0.77	1.8	973	69.5	First Capital Holding
1,461	-4	4	—	1,465	206	0.27	5.3	5,551	358.7	First Chicago
323	7	42	—	366	705	9.87	37.9	375	27.1	First Citizens Bcshs
739	134	13	—	752	464	5.29	29.9	1,458	112.2	First City Bncp Texas
505	12	21	—	526	590	0.50	1.3	456	28.2	First Commerce
466	4	9	—	475	628	7.57	32.4	628	50.7	First Empire State
605	-66	—	1,648	2,252	89	[illegible]	2.9	2,288	52.5	First Executive
575‡	NA	—	—	575	559	‡	§	2,993	159.5	First Fidelity Bncp
2,506	NA	118	—	2,624	71	1.38	7.3	889	56.8	First Financial Mgmt
9‡‡	0	—	—	9	777	0.09	0.3	551	39.5	First Florida Banks
519	NA	—	—	519	596	0.79	4.5	473	57.4	First Hawaiian
1,069	12	317	122	1,508	194	0.06	1.3	6,535	-151.9	First Interstate Bncp
650	16	—	—	650	512	0.11	0.9	1,306	122.9	First of America Bank
412	11	4	—	415	673	3.89	17.2	607	43.1	First Security
371	5	167	1,192	1,730	153	1.30	4.7	709	28.8	First Tennessee Natl
1,020	13	79	—	1,099	314	0.07	1.3	3,313	256.2	First Union
577	6	20	191	787	445	0.13	0.8	535	67.4	First Virginia Banks
818	-3	46	55	919	391	0.09	2.3	2,433	269.0	First Wachovia
609	15	36	405	1,049	336	0.28	1.8	923	87.2	Firstar
370*	NA	—	—	370	703	0.15	§	1,156	10.5	FirstFed Michigan
309	NA	—	—	309††	736	0.09	0.2	248	20.5	FirsTier Financial
1,327	32	42	1,462	2,831	59	0.13	2.8	3,658	371.3	Fleet/Norstar Finl
770	26	450	—	1,220	266	18.20	106.8	1,543	55.6	Fleetwood Enterprises
541	-1	13	—	555	570	0.25	2.4	12,045	80.1	Fleming Cos
299	NA	—	—	299	744	3.48	633.8	209	65.6	FlightSafety Intl

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. *Annualized salary. ‡Less than 0.01%. §Less than $100,000. ††New CEO; cash compensation is for another executive office. ‡‡Director's fees only. NA: Not available.

Corporate America's Most Powerful People

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	as CEO
Florida Federal/John W Sapanski	59	Brooklyn NY	CUNY City Col, BBA '57/City Col, MBA '60	banking	2	2
Florida Progress/Jack B Critchfield	57	Rockwood PA	Slippery Rock U, BS '55/Pittsburgh, MA '60	administration	7	‡
Fluor/Leslie G McCraw	55	Sandy Springs SC	Clemson, BSCE '56	technical	13	‡
FMC/Robert H Malott	63	Boston MA	Kansas, AB '48/Harvard, MBA '50	operations	37	18
Food Lion/Tom E Smith	49	Salisbury NC	Catawba, BA '64	retailing	20	4
Ford Motor/Harold A Poling	64	Detroit MI	Monmouth, BA '49/Indiana, MBA '51	financial	39	‡
Fortune Financial/John A Moran	58	Los Angeles CA	Utah, BS '54	banking	23	‡
Foster Wheeler/Louis E Azzato	59	New York NY	CUNY City Col, BS '52	technical	38	9
Fourth Financial/Jordan L Haines	63	Sabetha KS	Kansas, BA '49/Kansas, LLD '57	administration	28	5
FPL Group/James L Broadhead	55	New Rochelle NY	Cornell, BSME '58/Columbia, JD '63	technical	2	1
Franklin Resources/Charles B Johnson	57	Montclair NJ	Yale, BA '54	financial	33	19
Freeport-McMoRan/James R Moffett	51	Houma LA	Texas, BS '61/Tulane, MS '63	technical	20	6
Fruit of the Loom/William Farley	47	Pawtucket RI	Bowdoin, AB '64/Boston C, JD '69	legal	14	5
Fund American Cos/John J Byrne	57	Passaic NJ	Rutgers, BS '54/Michigan, MS '59	insurance	5	5
Gannett/John J Curley	51	Easton PA	Dickinson, BA '60/Columbia, MS '63	journalism	20	4
Gap/Donald G Fisher*	61	San Francisco CA	Calif Berkeley, BS '50	investment	21	21
GATX/James J Glasser	55	Chicago IL	Yale, AB '55/Harvard, JD '58	legal	29	12
Geico/William B Snyder	60	Clarksburg WV	Texas Tech, BS '55	marketing	13	5
GenCorp/A William Reynolds	56	Columbus OH	Harvard, AB '55/Stanford, MBA '57	administration	6	5
Genentech/G Kirk Raab	54	New York NY	Colgate, BS '59	marketing	5	‡
General Cinema/Richard A Smith	65	Boston MA	Harvard, BS '46	administration	43	43
General Dynamics/Stanley C Pace	68	Burkesville KY	US Military Acad, BS '43/Cal Tech, MS '49	administration	5	4
General Electric/John F Welch Jr	54	Peabody MA	Massachusetts, BS '57/Illinois, PhD '60	technical	30	9
General Instrument/Frank G Hickey	62	Stevens Point WI	Dayton, BS '50	marketing	25	15
General Mills/H Brewster Atwater Jr	59	Minneapolis MN	Princeton, AB '52/Stanford, MBA '54	marketing	32	9
General Motors/Roger B Smith	64	Columbus OH	Michigan, BBA '47/Michigan, MBA '49	financial	41	9
General Public Utils/Standley H Hoch	57	Canonsburg PA	Oberlin, BA '54	financial	1	1
General Re/Ronald E Ferguson	48	Chicago IL	Blackburn, BA '63/Michigan, MS '65	insurance	21	3
General Signal/Edmund M Carpenter	48	Toledo OH	Michigan, BSE '63/Michigan, MBA '64	operations	2	2
Genuine Parts/Larry L Prince	51	Dyersburg TN	Memphis St	administration	32	‡
Georgia Gulf/James R Kuse	59	Lincoln NE	Oregon St, BS '53	technical	23	5
Georgia-Pacific/T Marshall Hahn Jr	63	Lexington KY	Kentucky, BS '45/MIT, PhD '50	technical	15	7
Gerber Products/Alfred A Piergallini	43	Martin's Creek PA	Lafayette, BA '68/Chicago, MBA '70	marketing	1	‡
Giant Food/Israel Cohen*	77	Israel		administration	54	13
Gillette/Colman M Mockler Jr	60	St Louis MO	Harvard, AB '52/Harvard, MBA '54	financial	33	15
PH Glatfelter/Thomas C Norris	52	York PA	Gettysburgh College, BA '60	administration	30	10
GlenFed/Norman M Coulson	57	Hilt CA	Cal St Long Beach, BA '57/Pepperdine, MBA '73	banking	38	3
Golden West Finl/Herbert M Sandler[1]	58	New York NY	CUNY City Col, BSS '51/Columbia, JSD '54	financial	27	27
Goldome/Thomas A Cooper	53	Philadelphia PA	Haverford, BA '57	banking	1	1
BF Goodrich/John D Ong	56	Uhrichsville OH	Ohio St, BA '54/Harvard, LLB '57	operations	29	11
Goodyear/Tom H Barrett	59	Topeka KS	Kansas St, BS '53/MIT, MA '69	technical	37	1
WR Grace/J Peter Grace	77	Manhasset NY	Yale, BA '36	financial	54	45
WW Grainger/David W Grainger	62	Chicago IL	Wisconsin, BS '50	administration	40	16

[1] Office jointly held with Marion O Sandler. *Company founder. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$345	25%	$49	—	$394	689	0.06%	§	$448	$–72.1	Florida Federal
400*	NA	—	—	400	686	‡	§	2,129	187.1	Florida Progress
748	NA	1,039	$1,064	2,850††	58	0.06	$2.1	6,733	115.1	Fluor
1,090	4	106	—	1,195	280	0.67	7.2	3,415	156.7	FMC
581	9	30	33	644	519	0.85	33.9	4,717	139.8	Food Lion
2,149	NA	50	—	2,199††	95	0.04	7.8	96,146	3,835.0	Ford Motor
NA	NA	—	—	—	—	0.74	0.3	312	–9.3	Fortune Financial
445	NA	—	—	445	649	0.12	0.9	1,243	33.6	Foster Wheeler
446	21	20	110	575	558	0.51	2.3	304	34.4	Fourth Financial
793	NA	11	—	804	437	‡	§	6,180	410.4	FPL Group
452	NA	18	—	471	630	20.64	243.7	263	82.4	Franklin Resources
1,359	–13	1,086	11,072	13,517	6	1.18	21.0	1,958	149.9	Freeport-McMoRan
NA	NA	—	—	—	—	27.77	228.6	1,321	72.0	Fruit of the Loom
850	–24	70	—	920	390	0.29	3.1	3,490	73.3	Fund American Cos
1,281	5	24	—	1,305	240	0.06	3.6	3,518	397.5	Gannett
1,746	27	15	—	1,761	144	41.47	930.6	1,587	97.6	Gap
817	NA	97	804	1,718	154	0.53	3.3	702	65.7	GATX
700	0	265	—	965	370	0.36	8.2	1,939	213.1	Geico
795	–5	14	—	809	430	0.15	0.6	1,938	210.0	GenCorp
NA	NA	—	—	—	—	0.02	0.4	383	44.0	Genentech
1,051	–14	2	—	1,054	332	24.28	366.6	1,991	947.5	General Cinema
1,199	15	120	—	1,318	237	0.04	0.7	10,043	293.1	General Dynamics
2,580	10	69	917	3,566	43	0.02	11.8	54,574	3,939.0	General Electric
928	16	31	—	959	373	0.22	2.5	1,355	97.9	General Instrument
1,431	9	434	—	1,865	133	0.15	8.7	6,180	341.7	General Mills
1,092	11	1,017	—	2,109	109	0.01	4.6	126,932	4,224.3	General Motors
513	14	3	—	516	600	‡	§	2,911	282.5	General Public Utils
1,105	13	124	281	1,511	192	0.02	1.6	2,771	598.5	General Re
1,052	60	944	—	1,996	120	0.08	0.9	1,918	78.5	General Signal
522	NA	—	96	618††	535	0.04	1.3	3,161	199.5	Genuine Parts
896	7	—	—	896	402	6.10	66.2	1,104	192.0	Georgia Gulf
1,700	79	281	—	1,981	121	0.17	5.9	10,171	661.0	Georgia-Pacific
NA	NA	—	—	—	—	‡	§	1,134	92.6	Gerber Products
1,247	26	—	—	1,247	261	4.53	73.8	3,249	108.4	Giant Food
1,105	17	55	—	1,160	288	0.19	9.4	3,819	284.7	Gillette
619	12	—	—	619	533	0.24	2.2	599	92.9	PH Glatfelter
757	17	23	218	998	349	0.12	0.4	2,732	116.0	GlenFed
666	10	—	620	1,286	247	6.78	110.2	1,941	157.9	Golden West Finl
737	32	65	—	802	438	0.07	§	1,379	–253.0	Goldome
1,036	8	311	—	1,347	229	0.18	1.9	2,420	172.4	BF Goodrich
955	9	—	—	955	374	0.02	0.4	10,869	189.4	Goodyear
1,530	10	1,212	546	3,288	52	0.35	8.0	6,115	253.2	WR Grace
847	33	—	—	847	417	10.56	206.1	1,727	119.6	WW Grainger

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. *Annualized salary. ‡Less than 0.01%. §Less than $100,000. ††New CEO; cash compensation is for another executive office. NA: Not available.

Corporate America's Most Powerful People

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years)	
					with firm	as CEO
Great American Bank/Gordon C Luce	64	San Diego CA	Stanford, BA '50/Stanford, MBA '52	financial	20	20
Great American Mgmt/Samuel Zell	48	Chicago IL	Michigan, BA '61/Michigan, JD '63	investment	9	9
Great A&P Tea/James Wood	60	England		retailing	10	10
Great Lakes Bancorp/Roy E Weber	61	Ann Arbor MI		banking	40	21
Great Lakes Chemical/Emerson Kampen	62	Kalamazoo MI	Michigan, BS '51	operations	39	13
Gt Western Financial/James F Montgomery	55	Topeka KS	UCLA, BS '57	financial	15	11
Greater NY Savings/Charles J Ohlig	53	Jamaica NY	Pace, BBA '71	investment	9	2
Greyhound Dial/John W Teets	56	Elgin IL		administration	26	9
Grumman/John O'Brien	59	New York NY	SUNY Farmingdale, BS '51	technical	36	2
GTE/James L Johnson	63	Vernon TX	Texas Tech, BA '49	financial	41	2
Gulf States Utils/E Linn Draper Jr	48	Houston TX	Rice, BS '65/Cornell, PhD '70	technical	11	4
Halliburton/Thomas H Cruikshank	58	Lake Charles LA	Rice, BA '52/Houston, MA '55	legal	21	7
MA Hanna/Martin D Walker	57	Indianapolis IN	GMI Inst, BS '54/Michigan St, MBA '70	operations	4	4
Hannaford Bros/James L Moody Jr	58	Manchester NH	Bates, BA '53	financial	31	17
Hanover Insurance/William J O'Brien	57	Yonkers NY	Fordham, BS '54	insurance	19	10
Harcourt Brace/Peter W Jovanovich	41	New York NY	Princeton, BA '72	administration	10	‡
Harnischfeger Inds/William W Goessel	62	Beloit WI	Carthage, BA '50	operations	8	5
Harris Corp/John T Hartley	60	Jacksonville FL	Auburn, BS '55	operations	34	4
Harsco/Malcolm W Gambill	59	Crumpler NC	Yale, BS '53	operations	35	3
Hartford Steam Boiler/Wilson Wilde	62	Hartford CT	Williams, BA '49	insurance	36	19
Hasbro/Alan G Hassenfeld	41	Providence RI	Pennsylvania, BA '70	operations	20	1
Hawaiian Electric/C Dudley Pratt Jr	62	Honolulu HI	Yale, BS '50/U of Hawaii, MBA '71	technical	37	9
HJ Heinz/Anthony J F O'Reilly	54	Ireland	U of Dublin, BCL '58/U of Bradford, PhD '80	marketing	21	11
Henley Group/Michael D Dingman	58	New Haven CT		administration	20	20
Hercules/David S Hollingsworth	62	Wilmington DE	Lehigh, BS '48	technical	42	3
Hershey Foods/Richard A Zimmerman	58	Lebanon PA	Penn St, BA '53	operations	32	6
Hewlett-Packard/John A Young	58	Nampa ID	Oregon St, BS '53/Stanford, MBA '58	technical	32	12
Hibernia/Martin C Miler	55	Mason City IA	William & Mary, BA '57/Pennsylvania, MBA '59	banking	17	17
Hillenbrand Inds/W August Hillenbrand	49	Batesville IN	St Joseph's, BS '65	administration	24	1
Hills Dept Stores/Stephen A Goldberger	47	Cambridge MA	Brown, AB '64/Harvard, MBA '66	administration	19	4
Hilton Hotels/Barron Hilton	62	Dallas TX		administration	36	24
Home Depot/Bernard Marcus*	61	Newark NJ	Rutgers, BS '54	administration	12	12
HomeFed/Robert F Adelizzi	55	Philadelphia PA	Dartmouth, AB '57/U of San Diego, JD '63	financial	27	‡
Homestake Mining/Harry M Conger	59	Seattle WA	Colo Sch Mines, EM '55	technical	15	11
Homestead Financial/Lawrence Weissberg	69	New York NY		banking	30	30
Honeywell/James J Renier	60	Duluth MN	Col of St Thomas, BS '51/Iowa St, PhD '55	technical	34	3
Geo A Hormel/Richard L Knowlton	57	Austin MN	Colorado, BA '54	marketing	42	9
Household Intl/Donald C Clark	58	Brooklyn NY	Clarkson, BBA '53/Northwestern, MBA '61	financial	35	8
Houston Industries/Don D Jordan	58	Corp Christi TX	Texas, BBA '54/S Texas Col of Law, JD '69	legal	34	13
Howard Savings Bank/Leo J Rodgers Jr†	54	Trenton NJ	Villanova, BA '58/Temple, MA '63	banking	25	‡
Hubbell/G J Ratcliffe	53	Charleston WV	Virginia, LLB '61	legal	16	2
Humana/David A Jones*	58	Louisville KY	Louisville, BS '54/Yale, JD '60	legal	29	29
Huntington Bcshs/Frank Wobst	56	Germany	U of Erlangen, BA '55/Rutgers, MBA '64	banking	16	9

*Company founder. †Acting CEO. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$599	–4%	$1	—	$600	544	0.15%	$0.1	$1,593	$–123.9	Great American Bank
28‡‡	0	—	—	28	776	‡	§	2,046	–7.7	Great American Mgmt
3,193	59	2,024	$5,900	11,117	8	0.03	0.6	11,148	146.7	Great A&P Tea
470	14	—	64	534	581	1.12	0.7	384	13.7	Great Lakes Bancorp
824	11	5	111	941	378	0.78	14.8	792	122.9	Great Lakes Chemical
1,298	0	72	—	1,370	222	0.15	3.1	3,824	100.1	Gt Western Financial
435	2	29	—	464	636	0.13	0.1	297	12.2	Greater NY Savings
1,761	14	166	352	2,279	87	0.34	4.1	3,537	108.7	Greyhound Dial
564	11	20	—	584	556	0.08	0.3	3,506	67.3	Grumman
1,411	27	245	—	1,656	168	‡	1.4	17,424	1,417.3	GTE
344	13	10	—	354	712	0.01	0.2	1,607	13.3	Gulf States Utils
675	6	20	—	695	496	0.09	4.2	5,661	133.7	Halliburton
1,013	18	—	—	1,013	344	‡	§	1,110	86.9	MA Hanna
711	NA	456	233	1,399	216	1.75	12.4	1,521	37.4	Hannaford Bros
372	22	27	—	399	688	0.16	0.9	1,622	82.8	Hanover Insurance
400	NA	4	—	404††	684	0.14	0.4	1,342	104.4	Harcourt Brace
906	NA	—	—	906	397	0.03	0.2	1,568	59.3	Harnischfeger Inds
843	6	233	—	1,076	325	0.04	0.5	2,656	31.9	Harris Corp
566	NA	8	—	574	560	0.09	0.5	1,351	11.4	Harsco
805	NA	127	—	932	380	0.39	4.4	485	77.6	Hartford Steam Boiler
996	NA	62	—	1,058	330	3.10	32.0	1,410	92.2	Hasbro
510	0	298	—	808	431	0.03	0.2	884	64.1	Hawaiian Electric
1,129	3	1,643	—	2,771	64	0.21	17.1	6,022	486.3	HJ Heinz
1,010	–13	70	—	1,080	324	1.62	12.6	1,566	–187.0	Henley Group
544	–11	—	—	544	575	0.05	0.8	3,092	–96.4	Hercules
805	10	381	—	1,186	284	0.16	4.6	2,421	171.1	Hershey Foods
1,585	18	136	1,440	3,161	53	0.07	6.7	12,345	809.0	Hewlett-Packard
1,180	13	172	—	1,352	228	0.51	2.2	696	61.6	Hibernia
778	14	—	—	778	452	5.57	93.6	1,138	75.0	Hillenbrand Inds
635	–14	81	—	716**	486	7.20	5.2	1,929	–0.7	Hills Dept Stores
967	1	4	—	971	364	24.47	556.8	954	110.1	Hilton Hotels
1,586	–5	41	—	1,627	175	5.12	181.0	2,759	112.0	Home Depot
598	NA	—	—	598††	545	0.03	0.2	1,896	115.7	HomeFed
618	5	15	352	985	354	0.14	2.3	453	53.3	Homestake Mining
419	–18	—	—	419	669	27.98	4.3	377	–19.7	Homestead Financial
1,366	138	669	79	2,114	108	0.10	3.4	6,059	604.1	Honeywell
1,044	16	9	—	1,053	333	0.13	1.5	2,410	70.8	Geo A Hormel
1,160	14	73	—	1,233	265	0.32	5.0	3,490	239.5	Household Intl
679	0	11	—	690**	497	0.03	1.2	3,790	413.5	Houston Industries
278	NA	—	98	376††	699	0.25	0.2	507	–66.1	Howard Savings Bank
640	26	3	—	643	522	0.24	2.9	669	79.4	Hubbell
1,038	5	168	1,320	2,526	76	2.57	102.0	4,444	286.8	Humana
845	9	724	—	1,569	183	0.65	5.3	1,160	108.0	Huntington Bcshs

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. ‡Less than 0.01%. §Less than $100,000. **Prior-year data. ††New CEO; cash compensation is for another executive office. ‡‡Director's fees only. NA: Not available.

Corporate America's Most Powerful People

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years)	
					with firm	as CEO
ICH/John Franco	48	New York NY	Columbia, AB '63/NYU, LLB '67	financial	1	1
Idaho Power/Joseph W Marshall	51	Twin Falls ID	US Naval Acad, BS '61	technical	21	1
Illinois Power/Wendell J Kelley	64	Champaign IL	Illinois, BS '49	technical	41	24
Illinois Tool Works/John D Nichols	59	China	Harvard, BA '53/Harvard, MBA '55	operations	10	8
IMC Fertilizer Group/Billie B Turner	59	Whitesboro TX	Texas A&M, BS '52	sales	36	7
INB Financial/Thomas M Miller	60	Corydon IN	Indiana, BS '52	banking	36	9
Independence Bancorp/John D Harding	46	Bristol PA	Rider, BA '67	banking	2	1
Ingersoll-Rand/Theodore H Black	61	Jersey City NJ	US Naval Acad, BS '53	technical	33	2
Inland Steel Inds/Frank W Luerssen	62	Reading PA	Penn St, BS '50/Lehigh, MS '51	technical	38	7
Inspiration Resource/Reuben F Richards	60	New York NY	Harvard, AB '52	banking	7	7
Integra Financial/William F Roemer	56	Youngstown OH	Princeton, BA '55	banking	20	11
Intel/Andrew S Grove	53	Hungary	CUNY City Col, BS '60/Calif Berkeley, PhD '63	technical	22	3
Interco/Harvey Saligman	51	Philadelphia PA	Phil Col Textiles, BS '60	administration	14	7
Intergraph/James W Meadlock*	56	Taylorsville NC	N Carolina St, BS '56	technical	21	21
IBM/John F Akers	55	Boston MA	Yale, BS '56	marketing	30	5
Intl Flavors & Frags/Eugene P Grisanti	60	Buffalo NY	Boston U, LLB '53/Harvard, LLM '54	legal	30	5
Intl Minerals & Chem/George D Kennedy	63	Pittsburgh PA	Williams, BA '48	administration	19	7
Intl Multifoods/Anthony Luiso	46	Italy	Iona, BA '67/Chicago, MBA '82	financial	3	1
International Paper/John A Georges	59	El Paso TX	Illinois, BS '51/Drexel, MS '57	technical	11	6
Interpublic Group/Philip H Geier Jr	55	Pontiac MI	Colgate, BA '57/Columbia, MBA '58	administration	15	10
Ipalco Enterprises/John R Hodowal	45	Dayton OH	Purdue, BSIE '66/Indiana, JD '70	financial	22	1
Itel/Samuel Zell	48	Chicago IL	Michigan, BA '61/Michigan, JD '63	investment	22	22
ITT/Rand V Araskog	58	Fergus Falls MN	US Military Acad, BS '53	administration	24	11
James River Corp Va/Brenton S Halsey*	63	Newport News VA	Virginia, BS '52	technical	21	21
Jefferson-Pilot/W Roger Soles	69	Whiteville NC	N Carolina, BS '47	investment	43	23
Johnson & Johnson/Ralph S Larsen	51	Brooklyn NY	Hofstra, BBA '62	operations	28	1
Johnson Controls/James H Keyes	49	La Crosse WI	Marquette, BS '62/Northwestern, MBA '63	financial	24	2
Jostens/H William Lurton	60	Greenwich CT	Principia, BA '51	sales	35	18
JWP/Andrew T Dwyer	41	Morristown NJ	Yale, BA '71/New York Law Sch, JD '74	legal	14	5
K mart/Joseph E Antonini	48	Morgantown WV	West Virginia, BS '64	retailing	26	3
Kansas City P&L/A Drue Jennings	43	Topeka KS	Kansas, BS '68/Kansas, JD '72	legal	16	2
Kansas Power & Light/John E Hayes Jr	52	Kansas City MO	Rockhurst, BS '59	administration	1	1
Kaufman & Broad Home/Bruce E Karatz	44	Chicago IL	Boston U, BA '67/USC, JD '70	legal	18	4
Kellogg/William E LaMothe	63	Brooklyn NY	Fordham, BA '50	marketing	40	11
Kelly Services/Terence E Adderley	56	Detroit MI	Michigan, BBA '55/Michigan, MBA '56	financial	32	23
Kemper/Joseph E Luecke	63	Philadelphia PA	La Salle, BA '50	insurance	39	11
Kentucky Utilities/John T Newton	59	Shelbyville KY	Western Kentucky, BS '52	financial	32	3
Kerr-McGee/Frank A McPherson	57	Stillwater OK	Oklahoma St, BS '57	operations	33	7
KeyCorp/Victor J Riley Jr	58	Buffalo NY	Notre Dame, BA '53	financial	26	16
Kimberly-Clark/Darwin E Smith	64	Garrett IN	Harvard, LLB '55	legal	32	18
King World Prods/Michael King	42	Summit NJ	Fairleigh Dickinson, BA '71	marketing	17	6
Knight-Ridder/James K Batten	54	Suffolk VA	Davidson, BS '57/Princeton, MPA '62	journalism	33	2
Kroger/Lyle Everingham	64	Flint MI		retailing	43	12

*Company founder.

Compensation					Rank	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$500*	NA	—	—	$500	609	0.58%	$0.8	$2,239	$–75.2	ICH
147	NA	$5	—	152††	770	0.03	0.2	496	84.7	Idaho Power
395	3%	17	—	412	675	0.02	0.3	1,313	–288.4	Illinois Power
753	5	10	—	763	456	0.51	13.5	2,173	163.8	Illinois Tool Works
861	49	15	$104	980	357	0.20	1.7	1,157	110.7	IMC Fertilizer Group
577	5	143	—	720	483	0.67	2.8	645	59.1	INB Financial
277	NA	26	—	304	738	0.03	§	272	15.0	Independence Bancorp
1,103	40	142	353	1,599	178	0.03	0.8	3,447	202.2	Ingersoll-Rand
734	–22	15	56	805	435	0.20	2.1	4,147	119.7	Inland Steel Inds
655	–8	46	—	700	494	0.02	§	1,373	25.2	Inspiration Resource
300	–8	100	—	400	687	0.10	0.6	716	35.6	Integra Financial
701	–2	22	—	723	481	0.15	10.7	3,127	391.0	Intel
742	4	—	415	1,157	290	0.32	§	1,759	–64.5	Interco
300	22	12	—	312	734	5.94	54.1	860	79.5	Intergraph
713	–53	708	465	1,886	130	‡	4.3	62,710	3,758.0	IBM
660	9	17	128	805	434	1.12	24.8	870	138.6	Intl Flavors & Frags
991	–55	314	—	1,304	241	0.34	4.5	1,166	81.8	Intl Minerals & Chem
374*	NA	3	—	377	697	0.04	0.1	2,026	28.3	Intl Multifoods
1,311	7	135	—	1,446	212	0.13	6.7	11,378	864.0	International Paper
1,705	NA	3,320	—	5,025	23	1.60	17.2	1,218	70.6	Interpublic Group
473	–25	23	—	496	612	0.02	0.2	595	95.5	Ipalco Enterprises
1,112	31	—	—	1,112	310	‡	§	2,121	29.9	Itel
2,350	5	1,582	—	3,932	36	0.25	15.7	20,054	922.0	ITT
977	6	20	—	997	350	0.83	16.4	6,071	245.0	James River Corp Va
972	9	—	—	972	363	0.15	2.1	1,140	137.7	Jefferson-Pilot
847	33	—	269	1,117	306	‡	1.4	9,757	1,082.0	Johnson & Johnson
749	5	—	740	1,489	200	0.10	1.1	3,894	95.0	Johnson Controls
882	NA	22	—	905	399	0.90	9.0	753	58.2	Jostens
1,274	NA	1	—	1,275	251	6.36*	45.1	1,742	38.8	JWP
899	–3	29	—	928	385	0.02	1.0	29,792	322.7	K mart
368	19	19	—	387	690	0.02	0.2	731	108.6	Kansas City P&L
NA	NA	—	—	—	—	‡	§	1,128	72.8	Kansas Power & Light
383	NA	2,634	—	3,017	55	0.82	2.9	1,265	81.4	Kaufman & Broad Home
1,070	–18	21	—	1,091	319	0.19	14.3	4,652	422.1	Kellogg
630	NA	—	—	630	527	5.49	59.8	1,377	70.8	Kelly Services
651	57	—	—	651	511	0.22	4.1	2,774	307.4	Kemper
287	23	—	—	287	749	0.04	0.3	532	82.3	Kentucky Utilities
777	35	14	91	882	408	0.07	1.6	3,087	156.0	Kerr-McGee
1,101	40	21	—	1,122	304	0.05	0.5	1,642	136.9	KeyCorp
1,308	9	6	—	1,314	239	0.21	11.4	5,734	423.8	Kimberly-Clark
1,665	NA	19	—	1,675	165	8.84	76.8	428	78.3	King World Prods
678	–9	—	416	1,094	318	0.02	0.5	2,268	247.2	Knight-Ridder
999	–1	—	1,081	2,080	112	0.42	4.2	18,832	–16.3	Kroger

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. *Annualized salary. ‡Less than 0.01%. §Less than $100,000. ††New CEO; cash compensation is for another executive office. NA: Not available.

Corporate America's Most Powerful People

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	 as CEO
Lafarge/Robert W Murdoch	48	Australia	U of Brit Columbia, BA '64/U of Toronto, LLB '67	administration	23	1
Landmark Land/Gerald G Barton	59	Okla City OK	Oklahoma, '53	operations	19	19
Liberty National/Joseph W Phelps	63	Richmond KY		banking	32	‡
Eli Lilly/Richard D Wood	63	Brazil IN	Purdue, BS '48/Pennsylvania, MBA '50	marketing	40	17
Limited/Leslie H Wexner*	52	Dayton OH	Ohio St, BS '59	retailing	27	27
LIN Broadcasting/Donald A Pels[1]	62	New Rochelle NY	Pennsylvania, BS '48/NYU, JD '53	administration	21	21
Lincoln National/Ian M Rolland	56	Fort Wayne IN	DePauw, BA '55/Michigan, MA '56	insurance	34	13
Litton Industries/Orion L Hoch	61	Canonsburg PA	Carnegie-Mellon, BS '52/Stanford, PhD '57	technical	33	3
Liz Claiborne/Jerome A Chazen*	63	New York NY	Wisconsin, BA '48/Columbia, MBA '50	financial	13	1
Lockheed/Daniel M Tellep	58	Forest City PA	Calif Berkeley, BSME '54/Berkeley, MSEE '55	technical	35	1
Loews/Laurence A Tisch[2]	67	Brooklyn NY	NYU, BS '42/Pennsylvania, MA '43	financial	31	30
Lone Star Tech/John P Harbin	72	Waxahachie TX	Texas, BA '39	financial	1	1
Long Island Lighting/William J Catacosinos	60	New York NY	NYU, BS '51/NYU, PhD '62	technical	11	6
Longs Drug Stores/Robert M Long	52	Oakland CA	Claremont Mens C, BA '60	retailing	29	13
Loral/Bernard L Schwartz	64	New York NY	CUNY City Col, BBA '48	administration	18	18
Lotus Development/Jim P Manzi	38	New York NY	Colgate, BA '73/Tufts, MA '79	journalism	7	4
Louisiana Land/H Leighton Steward	55	Fairfield TX	So Methodist, BS '58/So Methodist, MS '60	banking	8	1
Louisiana-Pacific/Harry A Merlo	65	Stirling City CA	Calif Berkeley, BS '49	marketing	40	16
Louisville G&E/Roger W Hale	46	Baltimore MD	Maryland, BA '65/MIT, MS '79	marketing	1	1
Lowe's Cos/Leonard G Herring	62	Snow Hill NC	N Carolina, BS '48	financial	34	12
LTV/Raymond A Hay	61	Long Island NY	LIU, BS '49/St John's, MBA '60	administration	15	7
Lubrizol/Lester E Coleman	59	Akron OH	Akron, BS '52/Illinois, PhD '55	technical	35	12
Lyondell Petrochem/Bob G Gower	52	West Frankfort IL	Southern Illinois, BA '58/Minnesota, PhD '63	technical	27	2
Mack Trucks/Ralph E Reins	49	Detroit MI	Michigan, BSIE '63	marketing	1	1
Manufacturers Hanover/John F McGillicuddy	59	Harrison NY	Princeton, BA '52/Harvard, LLB '55	banking	31	11
Manufacturers Natl/Gerald V MacDonald	51	Detroit MI	Michigan, BA '60	banking	30	‡
Manville/W Thomas Stephens	47	Crossett AR	Arkansas, BS '65/Arkansas, MS '66	operations	27	4
Mapco/James E Barnes	56	Ponca City OK	Oklahoma St, BS '57	operations	7	6
Marion Merrell Dow/Joseph G Temple Jr	60	New York NY	Purdue, BSCHE '51	technical	39	‡
Marriott/J Willard Marriott Jr	58	Washington DC	Utah, BS '54	administration	34	18
Marsh & McLennan Cos/Frank J Tasco	62	New York NY	NYU, BA '49	insurance	36	4
Marshall & Ilsley/John A Puelicher	69	Milwaukee WI	Wis Milw, BA '43	banking	44	32
Martin Marietta/Norman R Augustine	54	Denver CO	Princeton, BS '57/Princeton, MS '59	technical	13	2
Masco/Richard A Manoogian	53	Long Branch NJ	Yale, BA '58	administration	32	22
Masco Industries/Richard A Manoogian	53	Long Branch NJ	Yale, BA '58	administration	32	5
Mattel/John W Amerman	58	Newark NJ	Dartmouth, BA '53/Dartmouth, MBA '54	marketing	10	3
Maxxam/Charles E Hurwitz	50	Kilgore TX	Oklahoma, BS '62	investment	12	10
May Dept Stores/David C Farrell	56	Chicago IL	Antioch, BA '56	retailing	34	11
Maytag/Daniel J Krumm	63	Sioux City IA	U of Iowa, BA '50	marketing	37	16
MBIA/William O Bailey	63	Syracuse NY	Dartmouth, AB '47/Pennsylvania, MBA '49	financial	3	3
MCA/Lew R Wasserman	77	Cleveland OH		sales	53	43
McCaw Cellular/Craig O McCaw*	50	Centralia WA	Stanford, BA '73	administration	24	10
McCormick & Co/Charles P McCormick Jr	61	Baltimore MD		sales	41	3

[1] Retired 3/5/90. [2] Office jointly held with Preston R Tisch. *Company founder. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$534	29%	$14	—	$548	573	‡	§	$1,497	$100.0	Lafarge
405	NA	—	—	405**	681	29.19%	$28.0	553	–0.3	Landmark Land
427	NA.	17	—	443††	651	0.46	1.4	353	33.2	Liberty National
1,355	18	510	$951	2,817	60	0.08	13.7	4,176	939.5	Eli Lilly
1,655	61	115	—	1,769	142	28.76	2,056.9	4,648	346.9	Limited
1,363	32	—	21,428	22,791	2	‡	§	251	57.4	LIN Broadcasting
1,113	47	—	633	1,746	149	0.06	1.3	8,081	268.9	Lincoln National
1,110	11	50	81	1,241	262	0.21	3.6	5,073	179.4	Litton Industries
800	NA	16	—	816	428	4.41	100.4	1,411	164.6	Liz Claiborne
764	70	72	—	836	420	0.01	0.2	9,891	2.0	Lockheed
246	23	4	—	249	756	12.87	1,041.9	11,113	907.1	Loews
150†	—	—	—	150	771	0.02	§	608	–191.4	Lone Star Tech
395	13	306	—	701	492	0.01	0.2	2,348	–95.8	Long Island Lighting
412	5	10	236	659	506	10.10	75.9	2,111	61.3	Longs Drug Stores
1,742	20	36	—	1,778	140	3.22	23.2	1,156	78.2	Loral
991	NA	49	15,372	16,412	3	2.69	34.8	556	67.7	Lotus Development
664	29	—	211	875	411	0.09	1.0	713	46.9	Louisiana Land
575	–12	529	2,547	3,651	40	0.94	14.6	2,010	192.6	Louisiana-Pacific
300*	NA	59	—	359	710	‡	§	677	76.1	Louisville G&E
469	24	52	—	520**	594	1.35	17.7	2,651	74.9	Lowe's Cos
938	14	39	—	977	360	‡	§	6,362	264.9	LTV
622	–18	29	318	969	368	0.23	3.0	1,228	94.0	Lubrizol
814	NA	4	—	818	426	0.05	0.7	5,358	374.0	Lyondell Petrochem
465	NA	—	—	465	634	0.21	0.4	1,751	–185.7	Mack Trucks
1,680	2	16	—	1,696	159	0.21	4.8	8,300	–588.0	Manufacturers Hanover
558	NA	1	—	558††	569	0.22	1.5	799	107.3	Manufacturers Natl
1,392	104	197	—	1,589	179	0.13	0.5	2,192	196.8	Manville
1,489	15	85	—	1,574	180	0.21	2.5	2,029	116.2	Mapco
NA[2]	NA	—	—	—	—	‡	0.5	1,078	46.3	Marion Merrell Dow
1,013	1	—	—	1,013	345	7.95	190.8	7,536	177.0	Marriott
1,425	13	12	74	1,511	191	0.15	7.3	2,428	294.9	Marsh & McLennan Cos
600	–28	26	—	626	529	1.11	7.3	783	85.4	Marshall & Ilsley
1,033	23	—	235	1,269	254	0.05	1.1	5,796	306.9	Martin Marietta
1,056	–2	—	3,391	4,447	33	1.42	52.5	3,151	220.9	Masco
280	–7	—	—	280	752	8.72	38.2	1,687	46.6	Masco Industries
1,102	95	234	401	1,737	150	0.10	1.0	1,237	79.6	Mattel
3,977	NA	83	497	4,557	30	30.91	111.2	2,423	116.8	Maxxam
1,531	15	25	509	2,064	115	0.25	16.3	9,602	498.0	May Dept Stores
1,239	38	—	—	1,239	263	0.16	2.8	3,089	131.5	Maytag
720	11	427	—	1,147	296	0.04	0.5	172	102.3	MBIA
559	–4	24	—	583	557	6.98	293.6	3,382	191.8	MCA
289	–5	—	53,655	53,944	1	9.77	403.9	504	–288.5	McCaw Cellular
874	NA	19	245	1,138	299	0.50	8.6	1,246	135.5	McCormick & Co

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. [2] Received $5,000,000 upon retirement from Dow Chemical. *Annualized salary. †Paid to date. ‡Less than 0.01%. §Less than $100,000. **Prior-year data. ††New CEO; cash compensation is for another executive office. NA: Not available.

Corporate America's Most Powerful People

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
McDonald's/Michael R Quinlan	45	Chicago IL	Loyola, BS '67/Loyola, MBA '70	administration	24	3
McDonnell Douglas/John F McDonnell	52	Baltimore MD	Princeton, BS '60/Princeton, MS '62	technical	28	2
McGraw-Hill/Joseph L Dionne	56	Montgomery AL	Hofstra, BA '55/Columbia, EdD '65	operations	24	7
MCI Communications/Wm G McGowan*	62	Ashley PA	King's, BS '50/Harvard, MBA '52	operations	22	22
McKesson/Alan Seelenfreund	53	New York NY	Cornell, BME '59/Stanford, PhD '67	technical	15	1
Mead/Burnell R Roberts	63	Lafayette WI	U Wis Milwaukee, BBA '50/Harvard, MBA '57	financial	24	8
Medtronic/Winston R Wallin	64	Minneapolis MN	Minnesota, BBA '48	operations	5	5
Mellon Bank/Frank V Cahouet	58	Boston MA	Harvard, BA '54/Pennsylvania, MBA '59	banking	3	3
Melville/Stanley P Goldstein	56	Woonsocket RI	Pennsylvania, BS '55	retailing	27	3
Mercantile Bancorp/Thomas H Jacobsen	50	Chicago IL	Lake Forest, BS '63/Chicago, MBA '68	banking	1	1
Mercantile Bkshs/H Furlong Baldwin	58	Baltimore MD	Princeton, AB '54	banking	34	14
Mercantile Stores/David R Huhn	52	Cincinnati OH	Xavier, BS '59	retailing	31	1
Merchants National/Otto N Frenzel III	59	Indianapolis IN	Pennsylvania, BS '54	banking	36	17
Merck/P Roy Vagelos	60	Westfield NJ	Pennsylvania, AB '50/Columbia, MD '54	technical	15	5
Meridian Bancorp/Samuel A McCullough	51	Pittsburgh PA	Pittsburgh, BBA '60	banking	15	12
Meritor Savings Bank/Roger S Hillas	63	Wincote PA	Dartmouth, AB '49/Pennsylvania, MBA '51	banking	2	2
Merrill Lynch/William A Schreyer	62	Williamsport PA	Penn St, BA '48	investment	42	6
Metro Mobile CTS/George L Lindemann	54	New York NY	Pennsylvania, BS '58	administration	8	7
Fred Meyer/Frederick M Stevens	53	Jonesboro AR	Louisiana St, BS '59	retailing	2	2
Michigan National/Robert J Mylod	50	Brooklyn NY	St John's, BA '61	banking	5	5
Micron Technology/Joseph L Parkinson*	44	San Antonio TX	Columbia, BA '67/Tulane, JD '71	legal	10	4
Microsoft/William H Gates III*	33	Seattle WA		technical	15	9
Midlantic/Robert Van Buren	65	Plainfield NJ	Washington & Lee, BA '50/NYU, MBA '56	banking	19	13
Minn Mining & Mfg/Allen F Jacobson	63	Omaha NE	Iowa St, BS '47	operations	43	4
Minnesota Power & Lt/Arend J Sandbulte	56	Sioux Center IA	Iowa St, BSEE '59/Minnesota, MBA '66	financial	26	2
MNC Financial/Alan P Hoblitzell Jr	58	St Louis MO	Princeton, BS '53	banking	34	7
Mobil/Allen E Murray	61	New York NY	NYU, BS '56	financial	37	4
Molex/Frederick A Krehbiel	48	Hinsdale IL	Lake Forest, BA '63	operations	25	2
Monarch Capital/Gordon N Oakes Jr	49	North Adams MA	Massachusetts, BS '63	banking	7	7
Monsanto/Richard J Mahoney	56	Springfield MA	Massachusetts, BS '55	marketing	28	7
Montana Power/Warren P Schmechel	62	Carrington ND	Montana St, BSEE '53	operations	37	7
JP Morgan & Co/Dennis Weatherstone	59	England		banking	44	‡
Morgan Stanley/S Parker Gilbert	56	New York NY	Yale, BA '56	investment	30	6
Morrison Knudsen/William M Agee	52	Boise ID	Idaho, BS '60/Harvard, MBA '63	financial	2	2
Morton International/Charles S Locke	61	Laurel MS	Mississippi, BBA '52/Mississippi, MS '55	financial	15	10
Motorola/George M C Fisher	49	Anna IL	Illinois, BS '62/Brown, PhD '66	technical	14	2
Multibank Financial/David B Lynch	63	New York NY	Yale, BA '50/NYU, LLB '55	financial	15	15
Murphy Oil/Jack W McNutt	55	Norphlet AR	Harding, BS '56/Columbia, MS '57	financial	33	2
Nalco Chemical/Worley H Clark Jr	57	Big Stone Gap VA	N Carolina St, BS '56	sales	30	7
Nash Finch/Harold B Finch Jr	62	Grand Forks ND	Minnesota, BS '52	technical	24	8
National City/Edward B Brandon	58	Davenport IA	Northwestern, BS '53/Pennsylvania, MBA '56	banking	34	3
Natl Community Bks/Robert M Kossick	49	New Brunswk NJ	Georgia Tech, BS '63/St Mary's, MA '76	banking	11	11
National Intergroup/Howard M Love	60	Pittsburgh PA	Colgate, BA '52/Harvard, MBA '56	operations	34	9

*Company founder. ‡New CEO, less than six months' service.

Compensation: Salary + bonus (000)	Compensation: % change	Compensation: other (000)	Compensation: stk gains (000)	total (000)	Rank among 800 execs	Stock owned: %	Stock owned: mkt val (mil)	Company data[1]: sales (mil)	Company data[1]: profits (mil)	Company
$1,005	12%	$88	$108	$1,201	275	0.06%	$7.1	$6,066	$726.7	McDonald's
634	–7	22	534	1,191	282	3.37	65.8	14,589	40.0	McDonnell Douglas
971	–6	464	60	1,496	198	0.21	5.3	1,789	39.8	McGraw-Hill
1,325	–2	—	7,341	8,666	12	1.65	142.8	6,471	603.0	MCI Communications
505	NA	25	194	725††	480	0.09	1.2	7,573	105.8	McKesson
918	–22	5	—	922	389	0.07	1.3	4,612	215.8	Mead
671	18	448	6	1,125	303	0.16	2.7	798	103.1	Medtronic
1,062	9	60	134	1,256	258	0.18	1.6	3,596	181.0	Mellon Bank
1,189	11	2	—	1,191	281	0.19	8.6	7,554	398.1	Melville
468	NA	182	—	650	515	0.16	0.6	745	0.5	Mercantile Bancorp
852	23	20	—	872	412	0.34	2.1	433	62.0	Mercantile Bkshs
NA	NA	—	—	—	—	0.04	0.5	2,313	130.3	Mercantile Stores
568	12	192	—	761	459	8.97	31.3	539	41.4	Merchants National
2,340	46	5	4,423	6,769	14	0.06	17.1	6,551	1,495.4	Merck
591	–4	30	—	621	532	0.15	1.0	1,173	91.5	Meridian Bancorp
595	28	—	—	595	547	0.04	§	1,322	–61.5	Meritor Savings Bank
1,550	–38	—	—	1,550	185	0.27	6.7	11,335	–213.4	Merrill Lynch
503	30	—	—	503	608	38.93	506.7	144	–50.6	Metro Mobile CTS
596*	NA	5	—	601	543	0.10	0.3	2,285	–6.8	Fred Meyer
825	29	—	—	825	424	0.07	0.4	1,266	178.9	Michigan National
1,021	NA	15	—	1,036	338	0.07	0.3	403	74.0	Micron Technology
191	9	16	—	207	766	37.37	2,380.9	953	210.5	Microsoft
1,080	–1	—	—	1,080	323	0.18	1.1	2,320	206.3	Midlantic
1,179	9	214	907	2,299	86	0.02	3.2	11,990	1,244.0	Minn Mining & Mfg
322	NA	134	—	455	644	0.05	0.3	464	88.9	Minnesota Power & Lt
950	23	453	—	1,403	215	0.06	0.8	3,019	245.1	MNC Financial
1,675	4	46	1,207	2,929	57	0.03	7.1	50,220	1,809.0	Mobil
332	–17	193	—	525	592	8.96	89.1	579	62.5	Molex
360	0	22	—	382	691	0.14	0.1	465	–24.4	Monarch Capital
1,317	–11	195	395	1,907	127	0.08	5.1	8,681	679.0	Monsanto
273	9	9	8	289	747	0.05	0.4	760	74.4	Montana Power
1,380	NA	70	—	1,450††	210	0.05	3.3	10,394	–1,275.0	JP Morgan & Co
5,475	24	20	—	5,495	19	3.14	73.4	5,831	443.0	Morgan Stanley
857	90	—	—	857	415	1.02	6.0	2,170	32.2	Morrison Knudsen
659	NA	1,013	—	1,672[2]	166	0.18	3.1	1,499	92.4	Morton International
777	18	10	—	787	446	‡	0.3	9,620	498.0	Motorola
379	1	5	247	632	525	0.70	0.8	439	21.7	Multibank Financial
467	22	19	76	562	568	0.14	1.9	1,653	46.6	Murphy Oil
881	–1	327	—	1,208	271	0.16	2.7	1,071	119.9	Nalco Chemical
327	6	51	—	377	698	1.43	3.0	2,224	13.2	Nash Finch
865	30	40	104	1,008	346	0.04	0.8	2,547	263.3	National City
930	17	—	1,612	2,542	75	1.59	3.8	386	45.0	Natl Community Bks
615	14	124	—	739	470	0.14	0.5	3,008	26.3	National Intergroup

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. [2] Salary paid by Thiokol Corp. *Annualized salary. ‡Less than 0.01%. §Less than $100,000. ††New CEO; cash compensation is for another executive office. NA: Not available.

Corporate America's Most Powerful People

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
National Medical/Richard K Eamer*	62	Long Beach CA	USC, BS '55/USC, LLB '59	legal	21	21
Natl Semiconductor/Charles E Sporck	62	Saranac Lake NY	Cornell, BS '52	operations	23	23
National Service/Sidney Kirschner	55	Canada	NM Sch Mines, BA '56	technical	17	3
Navistar Intl/James C Cotting	56	Winchester MA	Ohio St, BA '55	financial	11	3
NBD Bancorp/Charles T Fisher III	60	Detroit MI	Georgetown, AB '51/Harvard, MBA '53	banking	32	8
NCNB/Hugh L McColl Jr	54	Bennettsville SC	North Carolina, BS '57	banking	31	7
NCR/Charles E Exley Jr	60	Detroit MI	Wesleyan, BA '52/Columbia, MBA '54	financial	14	7
New England Electric/John W Rowe	45	Dodgeville WI	Wisconsin, BS '67/Wisconsin, JD '70	legal	1	1
NY State E&G/James A Carrigg	57	Johnson City NY	Broome Comm, AAS '58	operations	32	2
New York Times/Arthur Ochs Sulzberger	64	New York NY	Columbia, BA '51	journalism	36	27
Newell Co/Daniel C Ferguson	63	Freeport IL	Hamilton, BA '[illegible]8/Stanford, MBA '50	administration	40	24
Newmont Mining/Gordon R Parker	54	Rep of S Africa	Montana C, BS '58/U of Cape Town, MBA '66	operations	31	5
News Corp Ltd/K Rupert Murdoch	59	Australia	Oxford, MA '53	journalism	35	13
Niagara Mohawk Power/William J Donlon	60	Albany NY	Siena, BS '62	marketing	42	2
Nicor/Richard G Cline	55	Chicago IL	Illinois, BS '57	marketing	5	4
NIKE/Philip H Knight*	52	Portland OR	Oregon, BA '59/Stanford, MBA '62	financial	26	26
Nipsco Industries/Edmund A Schroer	62	Hammond IN	Valparaiso, BA '49/Northwestern, JD '52	legal	13	13
Nordstrom/Bruce A Nordstrom[1]	57	Seattle WA	Washington, BA '56	retailing	35	19
Norfolk Southern/Arnold B McKinnon	62	Goldsboro NC	Duke, AB '50/Duke, LLB '51	legal	39	3
Northeast Bancorp/Frank J Kugler Jr	56	Bridgeport CT	Widener, BA '57	banking	31	3
Northeast Savings FA/George P Rutland	57	Tifton GA	Pace, BBA '61	banking	2	2
Northeast Utilities/William B Ellis	49	Vicksburg MS	Carnegie-Mellon, BS '62/Maryland, PhD '66	technical	14	7
No States Power/James J Howard	54	Pittsburgh PA	Pittsburgh, BBA '57/MIT, MS '70	technical	3	3
Northern Trust/David W Fox	58	Aurora IL	Notre Dame, BS '53/Chicago, MBA '58	banking	35	‡
Northrop/Kent Kresa	52	New York NY	MIT, BS '59/MIT, MS '61	technical	15	‡
Norton/John M Nelson	58	New York NY	Wesleyan, AB '53/Harvard, MBA '59	administration	31	2
Norwest/Lloyd P Johnson	60	Minneapolis MN	Carleton, BA '52/Stanford, MBA '54	banking	5	5
Novell/Raymond J Noorda*	65	Ogden UT	Utah, BS '49	technical	6	6
Nucor/F Kenneth Iverson	64	Downers Grove IL	Cornell, BS '46/Purdue, MS '47	technical	28	25
NWNL/John E Pearson	63	Minneapolis MN	Minnesota, BA '48	sales	37	13
Nynex/William C Ferguson	59	Detroit MI	Albion, AB '52	operations	38	1
Occidental Petroleum/Armand Hammer	92	New York NY	Columbia, BS '19/Columbia, MD '21	financial	33	33
Ogden/Ralph E Ablon	74	Tupelo MS	Ohio St, BA '38	administration	35	28
Ohio Casualty/Joseph L Marcum	66	Hamilton OH	Antioch, BA '47/Miami of OH, MBA '65	insurance	43	2
Ohio Edison/Justin T Rogers Jr	60	Sandusky OH	Princeton, AB '51/Michigan, JD '54	legal	32	10
Oklahoma G&E/James G Harlow Jr	55	Okla City OK	Oklahoma, BS '57	financial	29	14
Old Kent Financial/John C Canepa	59	Newburyport MA	Harvard, BA '53/NYU, MBA '60	banking	20	8
Old Republic Intl/William R Stover	67	Washington DC		insurance	45	14
Ol[illegible]ne/Theodore W Barnes	59	Providence RI		banking	42	14
Ols[illegible]/John W Johnstone Jr	57	Brooklyn NY	Hartwick, BA '54	marketing	11	3
Oracle Systems/Lawrence J Ellison*	45	New York NY	Chicago, BS '66/Illinois, MS '68	technical	13	13
Oryx Energy/Robert P Hauptfuhrer	58	Philadelphia PA	Princeton, BA '53/Harvard, MBA '57	financial	33	2
Outboard Marine/James C Chapman	59	Detroit MI	U of Detroit, BME '56/U of Detroit, MBA '65	operations	12	‡

[1] Office jointly held with James F and John N Nordstrom. *Company founder. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$1,674	5%	$397	—	$2,071	114	2.20%	$54.1	$3,963	$164.0	National Medical
525	–25	—	—	525	591	0.74	5.3	1,638	47.4	Natl Semiconductor
729	27	5	—	734	474	0.11	1.4	1,587	96.8	National Service
450	–37	43	—	493	616	0.03	0.3	4,116	31.4	Navistar Intl
1,210	11	—	—	1,210	270	0.23	5.0	2,542	258.8	NBD Bancorp
1,500	25	714	$534	2,749	65	0.16	5.8	6,152	447.1	NCNB
1,166	9	24	—	1,190	283	0.15	6.6	5,956	412.0	NCR
360	NA	168	—	528	586	‡	§	1,643	138.7	New England Electric
302	24	2	—	304	739	0.01	0.1	1,428	157.8	NY State E&G
592	–11	282	25	899	400	0.62	10.2	1,769	266.6	New York Times
1,171	NA	—	1,075	2,246	92	5.65	88.6	1,123	85.4	Newell Co
892	7	—	—	892	404	0.05	1.4	582	125.9	Newmont Mining
1,200[2]	23	—	—	1,200	277	44.98	920.8	6,430	805.9	News Corp Ltd
319	3	34	—	353	713	0.01	0.2	2,906	150.8	Niagara Mohawk Power
849	3	21	283	1,153	294	0.23	2.4	1,622	119.9	Nicor
256	2	19	—	274	754	36.65	943.6	2,040	212.2	NIKE
350	8	11	—	361	707	0.05	0.6	1,560	137.3	Nipsco Industries
300	–34	61	—	361	706	6.80	163.0	2,671	114.9	Nordstrom
1,229	11	50	1,039	2,318	83	0.02	1.2	4,536	606.2	Norfolk Southern
295	–21	—	—	295	746	0.38	0.8	378	0.6	Northeast Bancorp
461	–16	52	—	513	602	‡	§	689	0.4	Northeast Savings FA
518	9	—	—	518	598	0.02	0.3	2,206	203.2	Northeast Utilities
583	11	10	—	593	549	0.01	0.3	1,990	222.0	No States Power
575	NA	19	—	594††	548	0.45	4.8	1,230	113.2	Northern Trust
413	NA	319	—	732††	475	0.45	3.4	5,248	–80.5	Northrop
722	0	22	143	887	405	0.15	2.7	1,531	85.8	Norton
1,291	4	99	2,033	3,423	46	0.22	3.8	2,930	237.0	Norwest
30	NA	—	—	30	775	12.56	152.2	429	52.6	Novell
282	–63	46	—	328	727	1.10	14.5	1,269	57.8	Nucor
613	18	—	13	626	530	0.09	0.4	1,393	53.5	NWNL
744	NA	94	133	971††	365	‡	1.2	13,211	807.6	Nynex
2,334	–5	290	53	2,677	70	0.42	33.7	20,068	256.0	Occidental Petroleum
2,000	–3	284	5,015	7,299	13	0.95	9.8	1,369	67.0	Ogden
443	26	6	40	489	620	2.84	24.7	1,577	101.5	Ohio Casualty
391	4	41	—	432	657	‡	0.2	2,155	361.0	Ohio Edison
425	6	19	—	444	650	0.06	0.9	1,141	129.4	Oklahoma G&E
619	11	—	—	619	534	0.49	3.1	863	85.4	Old Kent Financial
342	15	7	—	349	715	0.45	2.3	1,175	99.0	Old Republic Intl
299	–29	43	—	341	718	1.52	1.2	510	–20.7	Old Stone
894	18	16	203	1,113	309	0.20	1.9	2,509	124.0	Olin
1,734	27	—	—	1,734	152	27.12	549.4	769	97.7	Oracle Systems
940	NA	673	136	1,750	148	0.02	1.0	1,140	54.0	Oryx Energy
630	NA	—	—	630††	526	0.09	0.4	1,389	54.0	Outboard Marine

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. [2] Estimated. ‡Less than 0.01%. §Less than $100,000. ††New CEO; cash compensation is for another executive office. NA: Not available.

Corporate America's Most Powerful People

					Tenure (years)	
Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	with firm	as CEO
Owens-Corning/William W Boeschenstein	64	Chicago IL	Yale, BS '50	marketing	40	17
Paccar/Charles M Pigott	61	Seattle WA	Stanford, BS '51	administration	34	22
Pacific Enterprises/James R Ukropina	52	Fresno CA	Stanford, AB '59/USC, LLB '65	legal	6	1
Pacific G&E/Richard A Clarke	60	San Francisco CA	Calif Berkeley, AB '52/Calif Berkeley, JD '55	legal	35	4
Pacific Telesis/Sam L Ginn	53	St Clair AL	Auburn, BS '59	technical	30	2
PacifiCorp/Al M Gleason	60	Sheridan Cty KS		administration	41	1
PaineWebber Group/Donald B Marron	55	Goshen NY		investment	31	10
Pall/Maurice G Hardy	60	England	Merchant Ventures, BSME '49	administration	28	1
Pan Am/Thomas G Plaskett	46	Kansas City MO	GMI Inst, BS '66/Harvard, MBA '68	financial	2	2
Panhandle Eastern/Philip J Burguieres	46	Franklin LA	U SW Louisiana, BSME '65/Penn, MBA '70	administration	‡	‡
Paramount Commun/Martin S Davis	63	New York NY		administration	32	7
Parker Hannifin/Paul G Schloemer	61	Cincinnati OH	Cincinnati, BSME '51/Ohio St, MBA '55	operations	33	6
Penn Central/Carl H Lindner	71	Dayton OH		financial	7	3
Penn Traffic/Claude Incaudo	56	Detroit MI		retailing	13	‡
JC Penney/William R Howell	54	Claremore OK	Oklahoma, BBA '58	retailing	32	7
Pennsylvania P&L/Robert K Campbell	59	Chicago IL	Illinois Tech, BS '52/Loyola, JD '62	technical	13	11
Pennzoil/James L Pate	54	Mt Sterling IL	Monmouth, AB '63/Indiana, JD '68	financial	14	‡
People's Bank/David E A Carson	55	England	Michigan, BBA '55	insurance	7	5
Peoples Energy/Eugene A Tracy	62	Oak Park IL	Northwestern, BS '51/DePaul, MBA '58	financial	39	8
PepsiCo/D Wayne Calloway	54	Elkin NC	Wake Forest, BBA '59	financial	23	4
Perkin-Elmer/Horace G McDonell	61	New York NY	Adelphi, AB '52	technical	38	6
Perpetual Financial/Thomas J Owen	55	Washington DC	Williams, BA '57	investment	15	13
Petrie Stores/Milton J Petrie*	87	Salt Lake City UT		retailing	63	63
Pfizer/Edmund T Pratt Jr	63	Savannah GA	Duke, BS '47/Pennsylvania, MBA '49	financial	25	17
Phelps Dodge/Douglas C Yearley	54	Oak Park IL	Cornell, BS '56	marketing	30	1
PHH/Robert D Kunisch	48	Norwalk CT	NYU, BBA '63	marketing	24	2
Philadelphia Elec/Joseph F Paquette Jr	55	Norwood MA	Yale, BS '56	administration	34	2
Philip Morris Cos/Hamish Maxwell	63	England	Cambridge, BA '49	marketing	36	6
Phillips Petroleum/C J Silas	58	Miami FL	Georgia Tech, BS '53	operations	37	5
PHM/James Grosfeld	52	New York NY	Amherst, BA '59/Columbia, LLB '62	investment	18	16
Pinnacle West/Richard Snell	59	Phoenix AZ	Stanford, BA '52/Stanford, JD '54	legal	‡	‡
Pioneer Hi-Bred Intl/Thomas N Urban	56	Des Moines IA	Harvard, BA '56/Harvard, MBA '60	administration	30	9
Pitney Bowes/George B Harvey	59	New Haven CT	Pennsylvania, BS '54	financial	33	7
Pittston/Paul W Douglas	63	Springfield MA	Princeton, BA '48	sales	6	6
PNC Financial/Thomas H O'Brien	53	Pittsburgh PA	Notre Dame, BS '58/Harvard, MBA '62	banking	28	5
Polaroid/I MacAllister Booth	58	Atlanta GA	Cornell, BME '55/Cornell, MBA '58	operations	32	4
Potlatch/Richard B Madden	61	Short Hills NJ	Princeton, BS '51/Michigan, JD '56	financial	19	19
Potomac Electric/Edward F Mitchell	57	Harrisonburg VA	Virginia, BSEE '56/George Washington, MS '60	technical	34	1
PPG Industries/Vincent A Sarni	61	Bayonne NJ	Rhode Island, BS '49	marketing	21	6
Premark Intl/Warren L Batts	57	Norfolk VA	Georgia Tech, BEE '61/Harvard, MBA '63	administration	10	4
Premier Bancorp/G Lee Griffin	51	Leavenworth KS	Texas, BS '60/Louisiana St, MS '62	banking	28	2
Premier Industrial/Morton L Mandel*	68	Cleveland OH		administration	50	50
Price Co/Robert E Price*	47	San Diego CA	Pomona, BA '64	administration	14	14

*Company founder. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$858	–29%	$89	—	$947	376	0.70%	$5.8	$3,000	$172.0	Owens-Corning
964	10	17	—	982	356	6.47	89.7	3,331	241.9	Paccar
897	NA	364	—	1,261	257	0.07	2.1	6,762	211.0	Pacific Enterprises
695	27	22	—	717	485	‡	0.4	8,588	900.6	Pacific G&E
920	19	1,037	—	1,957	124	‡	0.6	9,593	1,242.0	Pacific Telesis
760	51	—	—	760	460	0.01	0.7	3,717	465.6	PacifiCorp
2,050	64	—	—	2,050	116	1.29	5.5	2,926	52.0	PaineWebber Group
449	NA	975	$691	2,115††	106	0.16	1.9	523	58.3	Pall
500	1	18	—	518	599	0.04	0.2	3,561	–336.6	Pan Am
NA	NA	—	—	—	—	0.02	0.4	2,781	58.4	Panhandle Eastern
4,095	11	865	—	4,960	24	1.21	68.1	3,463	1,417.4	Paramount Commun
889	16	7	—	895	403	0.11	1.5	2,479	106.4	Parker Hannifin
668	9	—	—	668	502	34.08	495.1	1,725	174.1	Penn Central
NA	NA	—	—	—	—	‡	§	2,700	–21.2	Penn Traffic
1,089	37	322	51	1,463	207	0.04	3.0	16,103	802.0	JC Penney
379	6	2	—	381	694	0.02	0.6	2,356	353.4	Pennsylvania P&L
269	NA	10	—	279††	753	0.01	0.4	2,330	103.5	Pennzoil
382	44	108	—	490	619	0.12	0.3	708	32.5	People's Bank
350	11	—	155	505	606	0.09	0.6	1,251	84.9	Peoples Energy
1,505	10	5	—	1,510	193	0.04	6.7	15,242	901.4	PepsiCo
450	–40	13	31	494	615	0.14	1.3	596	–37.1	Perkin-Elmer
424	–21	4	—	428	661	2.76	1.7	642	4.5	Perpetual Financial
150	NA	—	—	150**	771	60.61	634.2	1,258	32.3	Petrie Stores
1,435	5	—	480	1,915	125	0.09	8.1	5,672	681.1	Pfizer
836	NA	279	707	1,822	136	0.09	1.8	2,700	267.0	Phelps Dodge
703	14	8	197	907	396	0.15	0.9	1,868	52.2	PHH
622	39	—	—	622	531	‡	§	3,406	590.4	Philadelphia Elec
1,877	13	1,771	2,805	6,453	17	0.07	27.0	39,011	2,946.0	Philip Morris Cos
1,240	63	14	—	1,254	259	0.11	6.4	12,384	219.0	Phillips Petroleum
735	–28	—	—	735	473	18.87	43.5	1,130	55.8	PHM
NA	NA	—	—	—	—	0.04	0.4	1,508	–551.4	Pinnacle West
459	20	—	—	459	640	0.34	4.4	870	77.0	Pioneer Hi-Bred Intl
863	0	354	1,339	2,556	73	0.16	5.8	2,876	186.7	Pitney Bowes
675	8	13	—	688	498	0.03	0.2	1,631	3.8	Pittston
1,090	18	63	60	1,213	269	0.09	2.9	4,645	377.4	PNC Financial
592	40	45	—	636	523	0.01	0.3	1,905	145.0	Polaroid
861	9	16	116	993	351	0.16	1.7	1,228	136.7	Potlatch
487	NA	13	—	500	611	0.03	0.7	1,395	214.6	Potomac Electric
1,095	–3	763	52	1,910	126	0.06	3.1	5,734	465.2	PPG Industries
695	–42	14	—	709	488	0.50	3.7	2,592	78.4	Premark Intl
273	–2	10	—	283	751	0.27	0.2	418	–105.6	Premier Bancorp
408	9	—	—	408	679	18.86	280.8	616	72.5	Premier Industrial
249	8	—	—	249	757	2.78	49.2	5,150	122.5	Price Co

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. ‡Less than 0.01%. §Less than $100,000. **Prior-year data. ††New CEO; cash compensation is for another executive office. NA: Not available.

Corporate America's Most Powerful People

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	
						as CEO
Primerica/Sanford I Weill	57	New York NY	Cornell, BA '55	financial	4	4
Procter & Gamble/Edwin L Artzt	60	New York NY	Oregon, BS '51	marketing	36	‡
Progressive/Peter B Lewis	56	Cleveland OH	Princeton, AB '55	insurance	35	25
Provident Life & Acc/Winston W Walker	46	Traverse City MI	Tulane, BS '65/Georgia, PhD '69	insurance	16	2
PSI Holdings/James E Rogers Jr	42	Birmingham AL	Kentucky, BBA '70/Kentucky, JD '74	legal	2	2
Public Service Colo/Delwin D Hock	55	Colo Spngs CO	Colorado, BS '56	financial	28	2
Public Service NH/John C Duffett	62	Concord NH	U of New Hampshire, BS '51	operations	36	2
Public Service NM/Jerry D Geist	56	Raton NM	Colorado, BS '56	technical	30	14
Pub Svc Enterprise/E James Ferland	48	Boston MA	Maine, BS '64/New Haven, MBA '76	technical	4	4
Puget Sound Bancorp/William W Philip	63	Tacoma WA		banking	39	18
Puget Sound P&L/John W Ellis	61	Seattle WA	Washington, BS '50/Washington, JD '53	legal	20	14
Quaker Oats/William D Smithburg	51	Chicago IL	DePaul, BS '60/Northwestern, MBA '61	marketing	24	9
Quantum Chemical/John Hoyt Stookey	60	New York NY	Amherst, BA '52/Columbia, MS '54	technical	20	4
Ralston Purina/William P Stiritz	55	Jasper AR	Northwestern, BS '59/St Louis, MA '68	marketing	26	9
Raychem/Robert J Saldich	56	New York NY	Rice, BS '56/Harvard, MBA '61	technical	26	‡
Raytheon/Thomas L Phillips	66	Turkey	Virginia Polytech, BS '47/Virginia Poly, MS '48	technical	42	22
Readers Digest Assn/George V Grune	60	White Plains NY	Duke, AB '52	marketing	30	6
Reebok International/Paul B Fireman	46	Cambridge MA	Boston U	sales	11	11
Reliance Group/Saul P Steinberg*	50	New York NY	Pennsylvania, BS '61	investment	29	29
Republic New York/Walter H Weiner	59	Brooklyn NY	Michigan, BA '52/Michigan, JD '53	legal	10	10
Reynolds Metals/William O Bourke	63	Chicago IL	DePaul, BSC '51	operations	9	4
Riggs National/Joe L Allbritton	65	D'Lo MS	Baylor, LLB '49	financial	9	9
Rite Aid/Alex Grass*	62	Scranton PA	Florida, LLB '49	legal	37	28
Roadway Services/Joseph M Clapp	53	Greensboro NC	N Carolina, BS '58	sales	23	3
Rochester Community/Leonard S Simon	53	Passaic NJ	MIT, BS '58/Columbia, PhD '63	marketing	21	6
Rochester G&E/Harry G Saddock	61	Rochester NY	Renss Polytech, BSEE '50	operations	40	1
Rockwell Intl/Donald R Beall	51	Beaumont CA	San Jose State U, BS '60/Pittsburgh, MBA '61	administration	22	2
Rohm & Haas/J Lawrence Wilson	54	Rosedale MS	Vanderbilt, BE '58/Harvard, MBA '63	financial	25	2
Rorer Group/Robert E Cawthorn	54	England	Cambridge, BS '59	administration	8	5
Rose's Stores/Lucius H Harvin III	51	Boston MA	N Carolina, BA '60/Duke, JD '63	retailing	26	10
Rouse/Mathias J DeVito	59	Trenton NJ	Maryland, BA '54/Maryland, LLB '56	legal	22	11
Rubbermaid/Stanley C Gault	64	Wooster OH	Wooster, BA '48	marketing	10	10
Russell/Dwight L Carlisle Jr	54	Alexander City AL	Auburn, BS '58	operations	34	2
Ryder System/M Anthony Burns	47	Las Vegas NV	Brigham Young, BS '64/Cal Berkeley, MBA '65	financial	16	7
Rykoff-Sexton/Roger W Coleman	61	Newark NJ	UCLA, BS '51	operations	39	23
Ryland Group/Charles E Peck	64	Newark NJ	Pennsylvania, BS '49	operations	9	8
Safeco/Bruce Maines	63	Tacoma WA	Washington, BS '48/Washington, JD '49	legal	40	4
Safety-Kleen/Donald W Brinckman*	59	Chicago IL	Northwestern, BS '54/Northwestern, MBA '59	marketing	22	22
St Joe Paper/Jacob C Belin	75	DePuniak Spngs FL		operations	52	8
St Jude Medical/Lawrence A Lehmkuhl	52	Preston IA	U of Iowa, BA '62	financial	5	5
St Paul Bancorp/Joseph C Scully*	49	Detroit MI	Loyola, BS '62/Loyola, MBA '72	banking	27	8
St Paul Cos/Douglas W Leatherdale	53	Canada	U of Manitoba, BA '57	investment	18	‡
Salomon/John H Gutfreund	60	New York NY	Oberlin, BA '51	investment	37	6

*Company founder. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$1,536	19%	$141	—	$1,678	164	0.35%	$11.0	$5,695	$289.0	Primerica
976	NA	—	$155	1,131††	302	0.03	6.4	22,605	1,395.0	Procter & Gamble
1,894	46	507	—	2,401	81	18.14	160.7	1,393	78.0	Progressive
445	68	15	—	460	639	‡	§	2,639	148.0	Provident Life & Acc
361	NA	68	—	429	658	‡	§	1,059	125.2	PSI Holdings
303	24	—	—	303	740	0.02	0.2	1,741	148.8	Public Service Colo
169	9	—	—	169**	769	‡	§	619	–10.5	Public Service NH
208	NA	3	—	212	764	0.07	0.3	915	82.6	Public Service NM
501	8	5	—	506	605	‡	0.3	4,805	542.1	Pub Svc Enterprise
425	8	16	36	477	627	1.00	3.3	458	27.9	Puget Sound Bancorp
371	–2	—	—	371	702	0.03	0.3	888	117.7	Puget Sound P&L
1,282	8	766	—	2,048	118	0.24	9.1	5,729	197.7	Quaker Oats
1,293	–8	36	3,537	4,867	26	0.29	1.6	2,671	247.4	Quantum Chemical
1,064	3	53	3,790	4,907	25	1.10	56.2	6,858	350.1	Ralston Purina
315	NA	7	95	416††	671	0.13	1.2	1,099	25.4	Raychem
1,215	10	—	918	2,133	101	0.21	8.8	8,796	528.8	Raytheon
947	NA	1,018	—	1,965	123	0.26	7.2	1,902	170.7	Readers Digest Assn
14,606	28	—	—	14,606	4	14.66	290.2	1,822	175.0	Reebok International
6,265	39	281	—	6,546	16	60.31	247.3	4,012	21.7	Reliance Group
610	–16	3	—	614	537	0.08	1.0	2,575	24.0	Republic New York
1,775	71	35	416	2,226	93	0.06	1.9	6,143	532.7	Reynolds Metals
1,488	97	—	—	1,488	201	35.94	82.9	695	39.4	Riggs National
713	12	—	495	1,208	272	6.87	91.5	3,134	103.2	Rite Aid
591	33	—	—	591	554	0.14	2.0	2,661	95.5	Roadway Services
399	21	14	—	412	674	0.24	0.4	440	20.0	Rochester Community
209	NA	4	—	213	763	0.01	§	846	71.4	Rochester G&E
1,361	10	32	—	1,394	217	0.12	7.3	12,534	720.7	Rockwell Intl
678	–14	7	51	736	472	0.10	2.1	2,661	176.4	Rohm & Haas
968	39	3	—	971	366	0.11	2.9	1,182	86.5	Rorer Group
358	30	53	—	410**	676	3.11	4.1	1,508	8.9	Rose's Stores
919	12	—	—	919	392	1.47	17.4	495	9.7	Rouse
889	0	311	—	1,200	276	0.39	10.0	1,344	116.4	Rubbermaid
450	NA	—	—	450	645	0.30	2.9	688	64.7	Russell
744	–19	21	—	764	455	0.20	2.9	5,073	52.2	Ryder System
541	NA	—	—	541	578	1.21	2.3	1,383	14.7	Rykoff-Sexton
526	8	459	1,316	2,302	84	2.00	4.9	1,402	44.0	Ryland Group
530	9	92	29	651	510	0.06	1.3	2,808	300.2	Safeco
535	NA	4	—	538	580	1.08	12.1	478	46.0	Safety-Kleen
128	NA	—	—	128	773	‡	§	635	67.2	St Joe Paper
377	NA	27	—	405	682	0.25	3.0	148	50.9	St Jude Medical
448	–12	—	—	448	648	1.84	2.9	320	10.6	St Paul Bancorp
644	NA	126	221	991††	352	0.05	1.4	3,789	398.2	St Paul Cos
3,500	–13	147	—	3,647	41	0.10	2.5	8,999	470.0	Salomon

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. ‡Less than 0.01%. §Less than $100,000. **Prior-year data. ††New CEO; cash compensation is for another executive office. NA: Not available.

Corporate America's Most Powerful People

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
San Diego G&E/Thomas A Page	57	Niagara Falls NY	Purdue, BS '55/Purdue, MS '63	technical	12	9
Santa Fe Pacific/Robert D Krebs	48	Sacramento CA	Stanford, BA '64/Harvard, MBA '66	operations	24	3
Sara Lee/John H Bryan	53	West Point MS	Rhodes C, BA '58	administration	30	15
Scana/Lawrence M Gressette Jr	58	St Matthews SC	Clemson, BS '54/S Carolina, LLB '59	legal	7	‡
SCEcorp/Howard P Allen	64	Upland CA	Pomona, BA '48/Stanford, JD '51	legal	36	6
Schering-Plough/Robert P Luciano	56	New York NY	CUNY City Col, BBA '54/Michigan, JD '58	legal	12	8
Charles Schwab/Charles R Schwab*	53	Sacramento CA	Stanford, BA '59/Stanford, MBA '61	financial	16	12
Scott Paper/Philip E Lippincott	54	Camden NJ	Dartmouth, BA '57/Michigan St, MBA '64	operations	31	8
EW Scripps/Lawrence A Leser	55	Cincinnati OH	Xavier, BS '57	financial	22	5
Seagate Technology/Alan F Shugart*	59	Los Angeles CA	Redlands, BS '53	technical	11	11
Sears, Roebuck/Edward A Brennan	56	Chicago IL	Marquette, BS '55	retailing	34	4
Security Bancorp/Andrew R Brodhun	50	England	Michigan St, BA '65	banking	3	1
Security Pacific/Robert H Smith	55	Glendale CA	USC, BS '57/Van Norman U, LLB '66	banking	29	‡
Sequa/Norman E Alexander	75	New York NY	Columbia, BA '34	legal	40	33
Service Merchandise/Raymond Zimmerman*	57	Memphis TN		retailing	30	17
SFFed Corp/Roger L Gordon	48	Neosho MO		banking	28	‡
Shaw Industries/Robert E Shaw	58	Cartersville GA		sales	30	28
Shawmut National/Joel B Alvord	51	Manchester CT	Dartmouth, AB '60/Dartmouth, MBA '61	banking	27	4
Sherwin-Williams/John G Breen	55	Cleveland OH	John Carroll, BS '56/Case West Res, MBA '61	marketing	11	11
Sigma-Aldrich/Carl T Cori	53	St Louis MO	Wisconsin, BS '59/Washington, PhD '69	technical	20	7
Signet Banking/Robert M Freeman	49	Richmond VA	Virginia, BS '63	banking	19	1
Smith's Food & Drug/Jeffrey P Smith	40	Brigham City UT		operations	20	2
Snap-on Tools/Marion F Gregory	56	Denison TX		sales	35	2
Society/Robert W Gillespie	46	Cleveland OH	Ohio Wslyn, BA '66/Case West Res, MBA '68	banking	22	3
Society for Savings/Elliott Miller	56	Cambridge MA	Harvard, BA '56/Michigan, JD '61	legal	18	11
Sonat/Ronald L Kuehn Jr	55	New York NY	Fordham, BA '57/Fordham, LLB '64	legal	20	6
Sonoco Products/Charles W Coker Jr	57	Hartsville SC	Princeton, BA '55/Harvard, MBA '57	administration	32	20
South Carolina Natl/James G Lindley	58	Greensboro NC	North Carolina, BS '53/NYU, MBA '60	banking	11	9
Southeast Banking/Charles J Zwick	63	Plantsville CT	Connecticut, BS '50/Harvard, PhD '54	financial	21	11
Southern Company/Edward L Addison	60	Cottageville SC	South Carolina, BEE '50	technical	36	7
Southern Natl/Hector MacLean	69	Baltimore MD	Davidson, BS '41/N Carolina, LLB '48	legal	37	21
So N England Telecom/Walter H Monteith Jr	59	Framingham MA	Amherst, BA '52	sales	36	6
SouthTrust/Wallace D Malone Jr	53	Dothan AL	Alabama, BS '57/Pennsylvania, MS '59	banking	31	9
Southwest Airlines/Herbert D Kelleher	59	Camden NJ	Wesleyan, BA '53/NYU, LLB '56	legal	23	9
Southwest Gas/Kenny C Guinn	53	Garland AL	Cal St Fresno, BA '58/Utah, PhD '60	administration	3	2
Southwestern Bell/Edward E Whitacre Jr	48	Ennis TX	Texas Tech, BSIE '64	technical	27	‡
Southwestern Pub Svc/W R Esler	64	Denison TX	Texas, BSEE '46	technical	42	1
Sovran Financial/Albert B Gornto Jr	60	Norfolk VA	Old Dominion, BS '56	banking	33	1
Spiegel/John J Shea	52	Newark NJ	La Salle, BS '59/Pittsburgh, MS '60	marketing	10	5
Springs Industries/Walter Y Elisha	57	Gary IN	Wabash, BA '54/Harvard, MBA '65	administration	10	9
SPX/Dale A Johnson	52	Hector MN	Mankato State U/Minnesota, PhD '68	administration	5	‡
Square D/Jerre L Stead	47	Maquoketa IA	U of Iowa, BS '65	operations	3	1
Standard Fedl Bank/Thomas R Ricketts	59	Detroit MI	Michigan, BBA '53/Michigan, JD '56	legal	34	16

*Company founder. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$647	23%	$12	—	$659	505	0.08%	$1.9	$2,082	$187.1	San Diego G&E
914	–22	304	$295	1,512	190	0.06	2.0	2,978	–195.4	Santa Fe Pacific
1,392	2	685	20	2,097	110	0.23	15.5	11,746	440.8	Sara Lee
300	NA	16	—	316††	733	0.01	0.2	1,123	122.6	Scana
965	13	—	—	965	372	0.01	1.1	6,904	778.2	SCEcorp
1,515	13	60	—	1,574	181	0.01	1.0	3,158	471.3	Schering-Plough
1,129	13	8	—	1,137	300	26.83	106.0	553	18.9	Charles Schwab
756	–39	—	1,149	1,905	128	0.05	1.4	5,066	375.5	Scott Paper
881	40	6	—	887	406	0.06	0.7	1,266	89.3	EW Scripps
763	0	—	—	763	457	1.24	6.8	1,797	104.7	Seagate Technology
1,593	15	284	635	2,512	78	0.03	3.3	53,794	1,508.5	Sears, Roebuck
433	56	4	—	437	654	0.13	0.2	308	28.6	Security Bancorp
1,028	NA	11	—	1,039††	337	0.03	1.2	10,018	740.6	Security Pacific
1,391	8	—	—	1,391	218	37.78	270.8	1,959	55.9	Sequa
780	47	—	—	780	449	5.23	18.4	3,307	72.0	Service Merchandise
186	NA	—	—	186††	768	0.07	§	418	–8.6	SFFed Corp
1,150	NA	50	—	1,200	278	7.90	74.6	1,266	55.6	Shaw Industries
1,000	11	6	137	1,143	297	0.22	2.3	2,262	–128.9	Shawmut National
983	32	63	1,025	2,072	113	0.62	9.4	2,123	108.9	Sherwin-Williams
806	47	4	—	810	429	0.23	3.4	441	64.0	Sigma-Aldrich
481	–24	297	—	779	451	0.21	1.3	1,372	123.3	Signet Banking
503	NA	223	—	726	479	13.79	94.1	1,732	26.1	Smith's Food & Drug
548	–2	—	—	548	574	0.03	0.4	891	104.7	Snap-on Tools
633	14	165	114	912	393	0.04	0.4	1,139	110.0	Society
350	15	184	—	534	582	0.79	1.1	537	46.0	Society for Savings
848	7	39	449	1,336	233	0.05	1.0	1,778	109.0	Sonat
790	–6	—	388	1,179	286	1.23	17.4	1,656	103.6	Sonoco Products
511	3	103	—	614	538	0.18	0.7	659	59.2	South Carolina Natl
479	–24	7	—	486	623	0.33	1.4	1,706	80.5	Southeast Banking
787	1	40	—	827	423	‡	0.7	7,492	846.0	Southern Company
359	NA	21	—	380	695	0.39	1.1	310	23.8	Southern Natl
528	20	14	—	542	576	0.02	0.5	1,671	189.1	So N England Telecom
604	2	41	210	856	416	1.11	5.7	763	72.8	SouthTrust
461	NA	—	—	461	538	1.04	7.2	1,015	71.6	Southwest Airlines
546	–4	—	55	602	542	0.38	1.3	845	42.7	Southwest Gas
1,065	NA	136	—	1,201††	274	0.01	1.9	8,730	1,092.8	Southwestern Bell
342	25	1	—	343	717	0.02	0.2	821	124.9	Southwestern Pub Svc
801	35	250	43	1,094	316	0.04	0.6	2,651	269.2	Sovran Financial
997	27	108	—	1,105	312	0.03	0.3	1,696	73.3	Spiegel
764	–5	256	—	1,020	342	0.46	2.3	1,909	64.9	Springs Industries
351	NA	84	—	435††	655	‡	§	632	81.3	SPX
629	19	178	—	806	433	0.07	0.9	1,631	101.9	Square D
643	16	—	—	643	521	0.12	0.3	971	45.7	Standard Fedl Bank

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. ‡Less than 0.01%. §Less than $100,000. ††New CEO; cash compensation is for another executive office. NA: Not available.

Corporate America's Most Powerful People

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	Tenure (years) as CEO
Stanley Works/Richard H Ayers	47	Newton MA	MIT, BS '65/MIT, MS '65	operations	18	3
Star Banc/Oliver W Waddell	59	Covington KY	Duke, BA '54/Kentucky, JD '69	banking	33	7
State Street Boston/William S Edgerly	63	Lewiston ME	MIT, BS '49/Harvard, MBA '55	financial	15	15
Stone Container/Roger W Stone	55	Chicago IL	Pennsylvania, BS '57	marketing	33	11
Student Loan/Edward A Fox	53	New York NY	Cornell, AB '58/NYU, MBA '63	financial	17	17
Subaru of America/Harvey H Lamm	54	Philadelphia PA		sales	22	15
Sumitomo Bank Calif/Keizo Yoshida	54	Japan	Tokyo, LLB '58	legal	32	3
Summit Bancorp/Thomas D Sayles Jr	58	Newton Ctr MA	Dartmouth, BA '54/NYU, MBA '61	banking	20	17
Sun Company/Robert McClements Jr	61	Philadelphia PA	Drexel, BS '52	technical	25	5
Sun Microsystems/Scott G McNealy*	35	Columbus OH	Harvard, BA '76/Stanford, MBA '80	operations	8	6
Sundstrand/Harry C Stonecipher	54	Scott County TN	Tennessee Tech, BS '60	technical	3	1
SunTrust Banks/James B Williams	57	Sewanee TN	Emory, AB '55	banking	5	‡
Sunwest Financial/Ike Kalangis	53	Santa Fe NM	Harding, BBA '60	banking	19	1
Super Food Services/Jack Twyman	56	Pittsburgh PA	Cincinnati, BBA '55	administration	20	18
Super Valu Stores/Michael W Wright	51	Minneapolis MN	Minnesota, BA '61/Minnesota, JD '63	legal	13	9
Sysco/John F Woodhouse	59	Wilmington DE	Wesleyan, BA '53/Harvard, MBA '55	financial	21	7
Talman Home Federal/Theodore H Roberts	61	Gillett AR	Northwestern St LA, BA '49/Okla St, MA '50	banking	5	5
Tambrands/Martin F C Emmett	55	South Africa	Witwatersrand, BS '57/Queens U, MBA '62	banking	1	1
Tandem Computers/James G Treybig*	49	Clarendon TX	Rice, BS '63/Stanford, MBA '68	administration	15	15
Tandy/John V Roach	51	Stamford TX	Tex Christian, BA '61/Tex Christian, MBA '65	operations	23	9
TCF Financial/William A Cooper	46	Detroit MI	Wayne State, BS '67	financial	5	5
TECO Energy/Timothy L Guzzle	53	Ottumwa IA	Oklahoma, BS '58/Texas Christian, PhD '65	technical	2	1
Tecumseh Products/Todd W Herrick	47	Tecumseh MI	Notre Dame, BA '67	administration	18	4
Tele-Communications/John C Malone	49	Milford CT	Yale, BS '63/Johns Hopkins, PhD '67	administration	17	17
Teledyne/George A Roberts	71	Uniontown PA	Carnegie-Mellon, BS '39/Carnegie, PhD '42	technical	49	4
Tele & Data Systems/LeRoy T Carlson Jr	43	Chicago IL	Harvard, BA '68/Harvard, MBA '71	financial	16	4
Temple-Inland/Clifford J Grum	55	Davenport IA	Austin, BA '56/Pennsylvania, MBA '58	financial	22	6
Tenneco/James L Ketelsen	59	Davenport IA	Northwestern, BS '52	financial	31	12
Texaco/James W Kinnear	62	Pittsburgh PA	US Naval Acad, BS '50	sales	36	3
Texas Air/Francisco A Lorenzo	50	New York NY	Columbia, BA '61/Harvard, MBA '63	financial	18	10
Texas Instruments/Jerry R Junkins	52	Fort Madison IA	Iowa St, BS '59/Southern Methodist, MS '68	operations	31	5
Texas Utilities/Jerry S Farrington	55	Burkburnett TX	U No Texas, BBA '55/U No Texas, MBA '58	administration	33	3
Textron/Beverly F Dolan	62	Augusta GA	Georgia, BS '52	operations	36	5
Time Warner/J Richard Munro[1]	59	Syracuse NY	Colgate, BA '57	operations	33	10
Times Mirror/Robert F Erburu	59	Ventura CA	USC, BA '52/Harvard, JD '55	legal	29	9
Timken/William R Timken Jr	51	Canton OH	Stanford, BA '60/Harvard, MBA '62	operations	28	15
TJX Cos/Bernard Cammarata	50	Brooklyn NY		retailing	14	3
Torchmark/Ronald K Richey	63	Erie KS	Washburn, BA '49/Washburn, JD '51	insurance	26	5
Tosco/Thomas D O'Malley	48	New York NY	Manhattan, BBA '63	investment	2	‡
Toys "R" Us/Charles Lazarus*	66	Washington DC		administration	34	34
Transamerica/James R Harvey	55	Los Angeles CA	Princeton, BS '56/Calif Berkeley, MBA '63	financial	25	9
Transco Energy/George S Slocum	49	East Orange NJ	Cornell, BA '62/Cornell, MBA '67	financial	12	3
Travelers/Edward H Budd	57	Zanesville OH	Tufts, BS '55	insurance	35	9

[1] Office jointly held with Steven J Ross. *Company founder. ‡New CEO, less than six months' service.

Compensation						Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	Rank among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$793	37%	—	—	$793	442	0.08%	$1.1	$1,972	$117.7	Stanley Works
474	–2	$4	—	478	626	0.06	0.3	636	58.0	Star Banc
829	11	—	—	829	422	0.93	12.2	1,092	104.0	State Street Boston
1,379	37	—	—	1,379	220	2.65	29.2	5,330	285.8	Stone Container
883	13	1,149	—	2,032	119	‡	§	3,281	257.6	Student Loan
492	–12	—	—	492	618	0.30	0.9	1,637	–20.1	Subaru of America
196	1	14	—	210	765	0.13	0.3	438	34.0	Sumitomo Bank Calif
559	21	10	—	569	563	0.59	1.7	425	52.2	Summit Bancorp
938	–8	31	$711	1,681	163	0.02	0.8	9,805	98.0	Sun Company
781	60	—	—	781	448	2.08	40.1	2,062	36.1	Sun Microsystems
550	15	93	—	643	520	0.28	3.4	1,595	120.8	Sundstrand
471	NA	210	76	757††	463	0.18	4.7	3,296	337.3	SunTrust Banks
182	NA	4	—	186	767	0.12	0.2	310	20.1	Sunwest Financial
638	14	224	232	1,095	315	1.73	3.1	1,710	16.1	Super Food Services
900	34	—	174	1,074	326	0.16	2.9	11,000	141.6	Super Valu Stores
1,083	55	—	—	1,083	320	0.36	9.7	7,326	119.6	Sysco
600	0	10	—	610	540	4.38	2.3	568	20.2	Talman Home Federal
425	NA	—	—	425	665	0.14	2.3	583	1.7	Tambrands
479	0	—	—	479	625	0.67	16.7	1,677	117.8	Tandem Computers
971	11	84	—	1,055	331	0.07	1.9	4,284	303.9	Tandy
592	9	—	—	592	552	2.05	1.4	534	11.1	TCF Financial
508	41	11	—	519	597	‡	§	1,060	133.8	TECO Energy
230	NA	4	—	234	759	‡	§	1,510	82.6	Tecumseh Products
405	1	15	—	420	668	0.62	27.8	3,026	–257.0	Tele-Communications
819	1	—	—	819	425	0.88	13.7	3,531	150.3	Teledyne
246	NA	—	—	246	758	3.57	34.8	240	11.1	Tele & Data Systems
821	2	352	516	1,689	162	0.34	5.8	2,124	207.4	Temple-Inland
1,636	52	59	—	1,695	160	0.08	6.9	14,083	584.0	Tenneco
1,793	36	2,150	—	3,943	35	0.04	5.3	32,416	2,413.0	Texaco
977	24	313	—	1,290**	245	‡	§	6,685	–885.6	Texas Air
702	–12	8	125	835	421	0.04	1.2	6,522	291.7	Texas Instruments
500	4	7	—	507	604	‡	0.4	4,321	779.1	Texas Utilities
2,317	12	204	—	2,521	77	0.22	4.7	7,440	268.7	Textron
2,450	0	—	—	2,450	80	0.20	10.7	7,642	–256.0	Time Warner
1,146	–4	488	—	1,635	172	0.23	8.3	3,475	298.0	Times Mirror
513	–8	6	—	520	595	13.42	123.3	1,533	55.3	Timken
666	NA	173	—	839**	418	0.15	1.4	2,149	86.8	TJX Cos
1,084	35	48	11,588	12,719	7	0.86	20.4	1,634	211.3	Torchmark
NA	NA	—	—	—	—	2.80	7.5	1,441	40.5	Tosco
5,277	19	16	—	5,293	21	0.02	1.8	4,788	321.1	Toys "R" Us
1,386	7	118	1,507	3,011	56	0.09	2.3	6,834	332.2	Transamerica
686	22	121	—	807	432	0.08	0.9	2,989	112.5	Transco Energy
950	13	5	251	1,206	273	0.07	2.0	12,523	424.0	Travelers

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. ‡Less than 0.01%. §Less than $100,000. **Prior-year data. ††New CEO; cash compensation is for another executive office. NA: Not available.

Corporate America's Most Powerful People

					Tenure (years)	
Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	with firm	as CEO
Tribune/Stanton R Cook	64	Chicago IL	Northwestern, BS '49	technical	39	16
Trinova/Darryl F Allen	46	Detroit MI	Michigan St, BA '65/Michigan, MBA '66	financial	18	4
Trustmark/Frank R Day	52	Aberdeen MS	Mississippi, BA '53	banking	32	14
TRW/Joseph T Gorman	53	Rising Sun IN	Kent State U, BA '60/Yale, LLB '62	legal	22	1
Tucson Electric/Thomas C Weir	56	Sandwich IL		administration	2	1
Turner Broadcasting/Robert E Turner*	51	Cincinnati OH		sales	27	27
Turner Corp/Alfred T McNeill	53	Elizabeth NJ	Lehigh, BS '58	technical	32	1
TW Holdings/Jerome J Richardson	53	Spring Hope NC	Wofford, BA '59	administration	29	1
20th Century Inds/Louis W Foster*	77	Newberry MI	Stanford, BA '35	insurance	34	34
Tyco Laboratories/John F Fort	48	New York NY	Princeton, BS '63/MIT, MS '66	technical	25	7
Tyson Foods/Don Tyson	60	Olathe KS		operations	38	27
UAL/Stephen M Wolf	48	Oakland CA	San Francisco State U, BA '65	operations	2	2
UJB Financial/T Joseph Semrod	53	Okla City OK	Oklahoma, BA '58/Oklahoma, JD '63	banking	9	9
Union Bank/Seishichi Itoh	55	Japan	Osaka, BA '57	banking	18	5
Union Camp/Raymond E Cartledge	60	Pensacola FL	Alabama, BBA '52	sales	34	4
Union Carbide/Robert D Kennedy	57	Pittsburgh PA	Cornell, BME '55	operations	35	4
Union Electric/William E Cornelius	58	Salt Lake UT	Missouri, BS '53/Washington, MLA '83	financial	28	6
Union Pacific/Andrew L Lewis Jr	58	Philadelphia PA	Haverford, BS '53/Harvard, MBA '55	administration	4	3
Union Planters/Benjamin W Rawlins Jr	52	Murfreesboro TN	Vanderbilt, BA '61/Georgia St, MBA '69	banking	16	6
Union Texas Petrol/A Clark Johnson	59	Philadelphia PA	Haverford, BA '52/Pennsylvania, MBA '54	marketing	22	6
Unisys/James A Unruh	49	Goodrich ND	Jamestown, BSBA '63/Denver, MBA '64	financial	8	‡
UA Entertainment/Stewart D Blair	41	Scotland	U of Glasgow, MA '71	administration	3	3
United Banks of Colo/N Berne Hart	60	Denver CO	Colorado Col, BA '51	banking	36	11
United Missouri Bcsh/R Crosby Kemper	63	Kansas City MO		banking	40	20
US Bancorp/Roger L Breezley	52	Williston ND	North Dakota, BA '60	financial	13	3
US Shoe/Bannus B Hudson	44	Fort Scott KS	Kansas, BS '68	marketing	5	‡
United Technologies/Robert F Daniell	56	Milton MA	Boston U, AS '54	operations	34	4
United Telecom/William T Esrey	50	Philadelphia PA	Denison, BA '61/Harvard, MBA '64	administration	10	5
Univar/James W Bernard	52	Brainerd MN	Oregon, BS '60	sales	30	4
Universal/Henry H Harrell	50	Richmond VA	Washington & Lee, BA '61	administration	16	2
Unocal/Richard J Stegemeier	62	Alton IL	Missouri, BS '50/Texas A&M, MS '51	technical	39	2
UNUM/James F Orr III	47	Minneapolis MN	Villanova, BS '62/Boston U, MBA '69	banking	4	3
Upjohn/Theodore Cooper	61	Trenton NJ	Georgetown, BS '49/St Louis, PhD '56	technical	10	3
US West/Jack A MacAllister	62	Humeston IA	U of Iowa, BC '50	administration	40	15
USAir Group/Edwin I Colodny	63	Burlington VT	Rochester, AB '48/Harvard, LLB '51	legal	33	15
USF&G/Jack Moseley	58	Birmingham AL	Auburn, BS '53	insurance	37	10
USG/Eugene B Connolly	58	New York NY	Hofstra, BS '54/Hofstra, MBA '64	administration	32	‡
USLife/Gordon E Crosby Jr	69	Remsen IA		marketing	31	24
UST Inc/Louis F Bantle	61	Bridgeport CT	Syracuse, BS '51	marketing	28	17
USX/Charles A Corry	58	Cincinnati OH	Cincinnati, BA '55/Cincinnati, JD '59	administration	31	1
Valhi/Harold C Simmons	59	Alba TX	Texas, BA '51/Texas, MA '52	investment	7	3
Valley Bancorp/Peter M Platten III	50	Green Bay WI	Wisconsin, BBA '62	banking	25	1
Valley Federal S&L/Scott A Braly†	36	Newport Bch CA	USC, BS '75	financial	1	‡

*Company founder. †Acting CEO. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$1,158	9%	$1,038	—	$2,196	96	0.52%	$13.9	$2,455	$242.4	Tribune
707	–11	22	—	730	477	0.07	0.6	1,942	32.3	Trinova
326	9	—	—	326	729	4.24	8.3	308	28.1	Trustmark
1,060	30	38	$183	1,281	249	0.06	1.6	7,340	263.0	TRW
278	NA	6	—	284	750	‡	§	594	–82.1	Tucson Electric
677	NA	64	—	741	468	61.79	367.6	1,059	–27.6	Turner Broadcasting
380	33	—	—	380	696	0.40	0.3	3,562	2.8	Turner Corp
696	NA	2,157	1,799	4,652	29	3.70	12.4	3,485	–57.3	TW Holdings
604	NA	7	—	611**	539	9.19	48.7	706	91.0	20th Century Inds
1,200	29	2,874	—	4,074	34	2.39	45.0	2,100	104.7	Tyco Laboratories
3,565	39	218	—	3,782	38	18.68	353.4	2,937	103.7	Tyson Foods
1,150	100	137	—	1,287	246	0.34	11.5	9,794	324.2	UAL
827	3	432	341	1,600	177	0.27	1.7	1,224	118.5	UJB Financial
406	19	42	—	449	647	0.02	0.1	1,650	138.9	Union Bank
778	–2	24	129	931	382	0.04	0.9	2,761	299.4	Union Camp
1,410	1	5	—	1,414	213	0.29	8.1	8,744	573.0	Union Carbide
525	13	2	—	527	589	0.02	0.4	2,010	285.6	Union Electric
1,550	15	103	1,670	3,323	49	0.05	3.3	6,492	595.0	Union Pacific
447	5	170	—	616	536	0.26	0.4	432	–22.3	Union Planters
680	–7	—	818	1,497	197	0.23	3.5	981	172.6	Union Texas Petrol
375	NA	49	—	424††	667	0.01	0.3	10,097	–639.3	Unisys
350	19	—	—	350	714	‡	0.1	1,067	–91.9	UA Entertainment
329	–17	141	—	470	631	0.30	0.9	635	18.1	United Banks of Colo
493	9	16	83	592	551	9.35	33.4	385	37.6	United Missouri Bcsh
485	8	19	597	1,102	313	0.13	1.7	1,672	150.8	US Bancorp
488	NA	—	—	488††	622	0.09	0.8	2,492	51.4	US Shoe
1,280	12	103	477	1,860	134	0.04	2.6	19,532	702.1	United Technologies
967	4	738	—	1,706	156	0.02	1.8	7,549	362.9	United Telecom
762	NA	—	—	762	458	1.02	2.4	1,377	20.8	Univar
446	18	13	—	459	642	0.11	0.5	2,902	47.3	Universal
1,065	21	3	—	1,068	327	0.08	5.2	10,056	260.0	Unocal
965	24	—	—	965	371	0.06	0.9	1,934	155.4	UNUM
1,187	18	5	644	1,836	135	0.08	5.0	2,907	176.0	Upjohn
1,310	1	10	192	1,512	189	0.04	4.8	9,691	1,110.7	US West
571	–10	1,757	482	2,810	62	0.39	4.7	6,252	–63.2	USAir Group
1,180	30	302	46	1,528	188	0.02	0.6	4,679	116.7	USF&G
335	NA	1	—	336††	722	0.36	0.8	2,191	28.0	USG
959	11	357	36	1,352	227	0.79	4.5	1,200	80.3	USLife
2,126	23	22	3,635	5,783	18	1.00	30.2	670	190.5	UST Inc
1,347	NA	—	—	1,347	230	‡	0.3	17,533	965.0	USX
795	–40	—	—	795	441	0.07	1.2	2,269	102.3	Valhi
352	41	29	—	381	693	0.61	1.7	315	29.7	Valley Bancorp
NA	NA	—	—	—	—	‡	§	338	–72.9	Valley Federal S&L

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. ‡Less than 0.01%. §Less than $100,000. **Prior-year data. ††New CEO; cash compensation is for another executive office. NA: Not available.

Corporate America's Most Powerful People

Company/Chief executive	Age	Birthplace	Education undergraduate/graduate	Background	Tenure (years) with firm	as CEO
Valley National/Richard J Lehmann	46	Portland OR	Washington, BA '66/Washington, MBA '68	banking	2	‡
VF/Lawrence R Pugh	57	White Plains NY	Colby, BBA '56	marketing	10	8
Viacom/Frank J Biondi Jr	45	New York NY	Princeton, BA '66/Harvard, MBA '68	administration	3	3
Vista Chemical/John D Burns*	57	Houston TX	Rice, BS '56/Harvard, PMD '73	technical	35	6
Vons Cos/Roger E Stangeland	60	Chicago IL	Illinois, BS '51	retailing	30	6
Vulcan Materials/Herbert A Sklenar	58	Omaha NE	U Nebraska Omaha, BS '52/Harvard, MBA '54	financial	18	4
Waban/John F Levy	43	Newton MA	Trinity College CT, BA '69/Harvard, MBA '73	journalism	17	1
Wal-Mart Stores/David D Glass	54	Mtnview MO	SW Missouri St, BS '59	financial	14	2
Walgreen/Charles R Walgreen III	54	Chicago IL	Michigan, BS '58	operations	38	19
Wang Laboratories/Richard W Miller	49	Buffalo NY	Case Western Res, BA '67/Harvard, MBA '70	financial	1	‡
Warner-Lambert/Joseph D Williams	63	Washington PA	U Nebraska Lincoln, BS '50	marketing	40	5
Washington Mutual/Louis H Pepper	65	Libertyville IL	Wisconsin, BA '50/Wisconsin, JD '51	legal	9	9
Washington National/Robert W Patin	47	Pittsburgh PA	Muskingum C, BA '64	insurance	2	2
Washington Post/Katharine Graham	72	New York NY	Chicago, AB '38	administration	27	17
Washington Water/Paul A Redmond	53	Lakeview OR	Gonzaga, BS '65	operations	25	6
Waste Management/Dean L Buntrock*	58	Columbia SD	St Olaf, BA '55	administration	34	22
Weis Markets/Sigfried Weis	74	Selinsgrove PA	Yale, BA '38	retailing	52	30
Wellman/Thomas M Duff	42	Hoboken NJ	Rutgers, BA '70	administration	20	5
Wells Fargo/Carl E Reichardt	58	Houston TX	USC, BA '56	banking	20	7
West One Bancorp/Daniel R Nelson	52	Spokane WA	Washington St, BBA '62	banking	6	4
Western Capital Inv/Robert J Malone	45	Los Angeles CA	Loyola, BA '66/USC, MBA '69	banking	‡	‡
Westinghouse/John C Marous	64	Pittsburgh PA	Pittsburgh, BS '47/Pittsburgh, MS '49	technical	41	2
Westvaco/John A Luke	64	Tyrone PA	Yale, AB '49	operations	41	2
Wetterau/Ted C Wetterau	62	St Louis MO	Westminster, BA '52	marketing	38	20
Weyerhaeuser/George H Weyerhaeuser	63	Seattle WA	Yale, BS '49	operations	41	24
Wheelabrator Tech/Paul M Montrone	49	Scranton PA	U of Scranton, BS '62/Columbia, PhD '65	financial	20	1
Wheeling-Pittsburgh/Wm J Scharffenberger	69	New York NY	Columbia, BS '42	financial	3	3
Whirlpool/David R Whitwam	48	Stanley WI	Wisconsin, BS '67	marketing	22	3
Whitman/James W Cozad	63	Huntington IN	Indiana, BS '50	financial	‡	‡
Whitney Holding/William L Marks	47	Florence AL	Wake Forest, BA '66	banking	‡	‡
Willamette Inds/William Swindells	59	Oakland CA	Stanford, BS '53	operations	37	8
Williams Cos/Joseph H Williams	56	Tulsa OK	Yale, BA '56	operations	31	11
Wilmington Trust/Bernard J Taylor II	64	Philadelphia PA	Pennsylvania, BS '49	banking	11	11
Winn-Dixie Stores/A Dano Davis	44	New Rochelle NY		retailing	22	8
Wisconsin Energy/Charles S McNeer	64	Gilbert WV	Northwestern, BS '50	technical	40	15
Witco/William Wishnick	65	Brooklyn NY	Texas, BBA '49	administration	48	19
Woolworth/Harold E Sells	61	Ozark AR		retailing	45	3
Worthington Inds/John H McConnell*	67	N Manchester WV	Michigan, BA '49	marketing	35	35
Wm Wrigley Jr/William Wrigley	57	Chicago IL	Yale, BA '54	marketing	34	29
Xerox/David T Kearns	59	Rochester NY	Rochester, BS '52	sales	19	8
Yellow Freight Sys/George E Powell Jr	63	Kansas City MO		administration	38	22
Zenith Electronics/Jerry K Pearlman	51	Des Moines IA	Princeton, AB '60/Harvard, MBA '62	financial	19	7
Zions Bancorporation/Roy W Simmons	74	Portland OR		banking	36	25

*Company founder. ‡New CEO, less than six months' service.

Compensation					Rank	Stock owned		Company data[1]		
Salary + bonus (000)	% change	other (000)	stk gains (000)	total (000)	among 800 execs	%	mkt val (mil)	sales (mil)	profits (mil)	Company
$488	NA	$42	—	$530††	585	0.06%	$0.2	$1,201	$–149.2	Valley National
1,085	10%	112	—	1,197	279	0.05	0.9	2,533	176.0	VF
1,153	21	—	—	1,153**	293	‡	§	1,436	131.1	Viacom
820	21	12	$2,978	3,809	37	1.74	6.8	758	102.8	Vista Chemical
646	8	—	—	646	517	2.93	§	5,221	–25.1	Vons Cos
709	0	449	—	1,158	289	0.24	4.2	1,076	129.4	Vulcan Materials
609	NA	171	—	780	450	0.62	1.3	2,057	28.8	Waban
600	0	30	6,129	6,759**	15	0.15	41.3	25,922	1,075.9	Wal-Mart Stores
862	33	785	—	1,647	169	0.63	16.2	5,555	158.2	Walgreen
NA	NA	—	—	—	—	‡	§	2,620	–511.0	Wang Laboratories
1,505	15	59	—	1,564	184	0.05	3.6	4,196	412.7	Warner-Lambert
481	16	10	314	805	436	0.37	0.9	660	19.8	Washington Mutual
375	150	190	—	565	565	0.07	0.2	810	9.8	Washington National
740	13	18	—	758	462	12.16	356.6	1,444	197.9	Washington Post
266	–14	67	—	333	726	0.04	0.2	590	72.1	Washington Water
1,357	–3	96	—	1,453	209	0.75	124.7	4,459	562.1	Waste Management
420	6	9	—	429	659	32.82	439.9	1,239	86.4	Weis Markets
410	NA	—	—	410	677	1.45	13.6	436	54.5	Wellman
1,553	17	87	154	1,793	138	0.27	9.2	5,649	601.1	Wells Fargo
374	19	—	—	374	701	‡	§	429	33.6	West One Bancorp
375*	NA	—	—	375	700	‡	§	306	–93.3	Western Capital Inv
1,808	28	296	1,043	3,147	54	0.02	1.9	12,844	922.0	Westinghouse
942	31	57	—	998	348	0.35	5.7	2,315	220.9	Westvaco
850	9	185	—	1,035	339	4.73	27.4	5,189	45.9	Wetterau
1,060	–4	8	431	1,498	196	1.19	61.0	10,106	341.1	Weyerhaeuser
NA	NA	—	—	—	—	2.18	31.7	1,493	58.5	Wheelabrator Tech
300	0	—	—	300	742	‡	§	1,147	128.8	Wheeling-Pittsburgh
1,030	83	—	—	1,030	341	0.03	0.6	6,152	187.2	Whirlpool
650*	NA	—	—	650	513	0.22	5.9	3,986	190.7	Whitman
NA	NA	—	—	—	—	‡	§	236	–60.0	Whitney Holding
516	11	12	—	528	587	6.83	84.6	1,892	191.1	Willamette Inds
876	5	52	404	1,332	234	0.31	3.9	1,717	52.5	Williams Cos
710	11	—	12	721	482	0.35	2.2	379	59.4	Wilmington Trust
526	12	24	—	550	572	2.32	54.9	9,486	146.6	Winn-Dixie Stores
624	46	6	—	630	528	0.05	0.9	1,493	194.0	Wisconsin Energy
522	–19	—	—	522	593	1.92	13.8	1,588	35.0	Witco
1,380	15	777	—	2,158	99	0.09	3.3	8,820	329.0	Woolworth
546	6	24	—	570	561	14.50	122.1	943	54.9	Worthington Inds
681	11	20	—	701	493	17.54	368.7	993	106.1	Wm Wrigley Jr
1,333	48	283	263	1,879	181	0.04	2.0	17,635	704.0	Xerox
663	–4	17	—	679	499	3.11	23.3	2,220	18.6	Yellow Freight Sys
463	–26	—	—	463	637	0.19	0.5	1,549	–68.4	Zenith Electronics
NA	—	—	—	—	—	7.87	13.0	321	13.9	Zions Bancorporation

[1] Sales and profits as reported in the Forbes 500s Annual Directory issue, Apr. 30, 1990. ‡Less than 0.01%. §Less than $100,000. **: Prior-year data. ††New CEO; cash compensation is for another executive office. NA: Not available.

Patients who need kidney and heart transplants are dying because not enough people donate organs. Is it time to treat organs as private property that people can buy and sell?

Should I be allowed to buy your kidney?

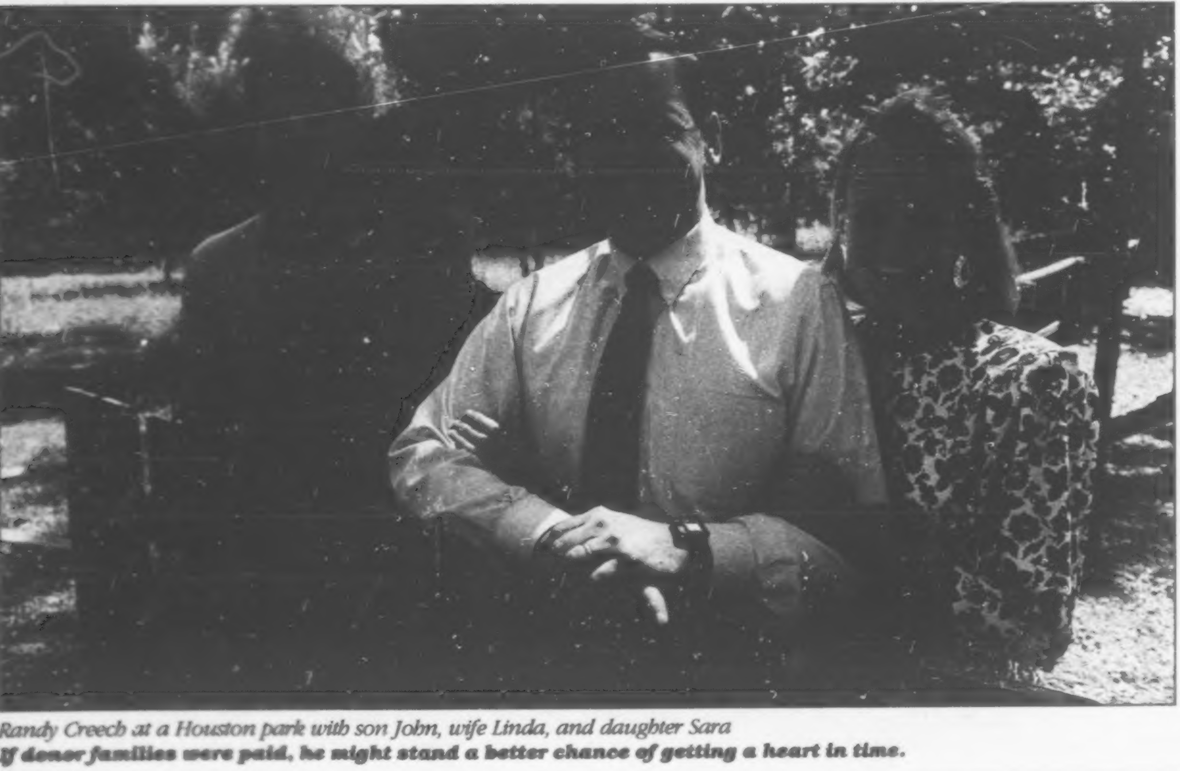
By Ronald Bailey

RANDY CREECH, a 43-year-old executive with an Exxon subsidiary in Houston, has needed a new heart since a viral infection all but destroyed his heart muscle. Creech, the father of two, has been on the Texas Heart Institute's transplant waiting list for three months. He works part time, all the while waiting for a pager at his side to beep, signaling that he has four hours to get to the hospital where surgeons will be waiting with a fresh heart. There are 20 people of his blood type on a list of 60.

Modern medicine has worked miracles for people who need a new heart or kidney or other organs. Demand for organ transplants has increased sharply. Unfortunately, there are no miracles on the supply side. Thousands of would-be recipients die every year while waiting.

Can anything be done to increase the supply of transplant organs? Some doctors are very quietly talking about compensating donors.

That's right: I'll pay you $5,000 for one of your kidneys. Not enough?


Janice Rubin

Randy Creech at a Houston park with son John, wife Linda, and daughter Sara
If donor families were paid, he might stand a better chance of getting a heart in time.

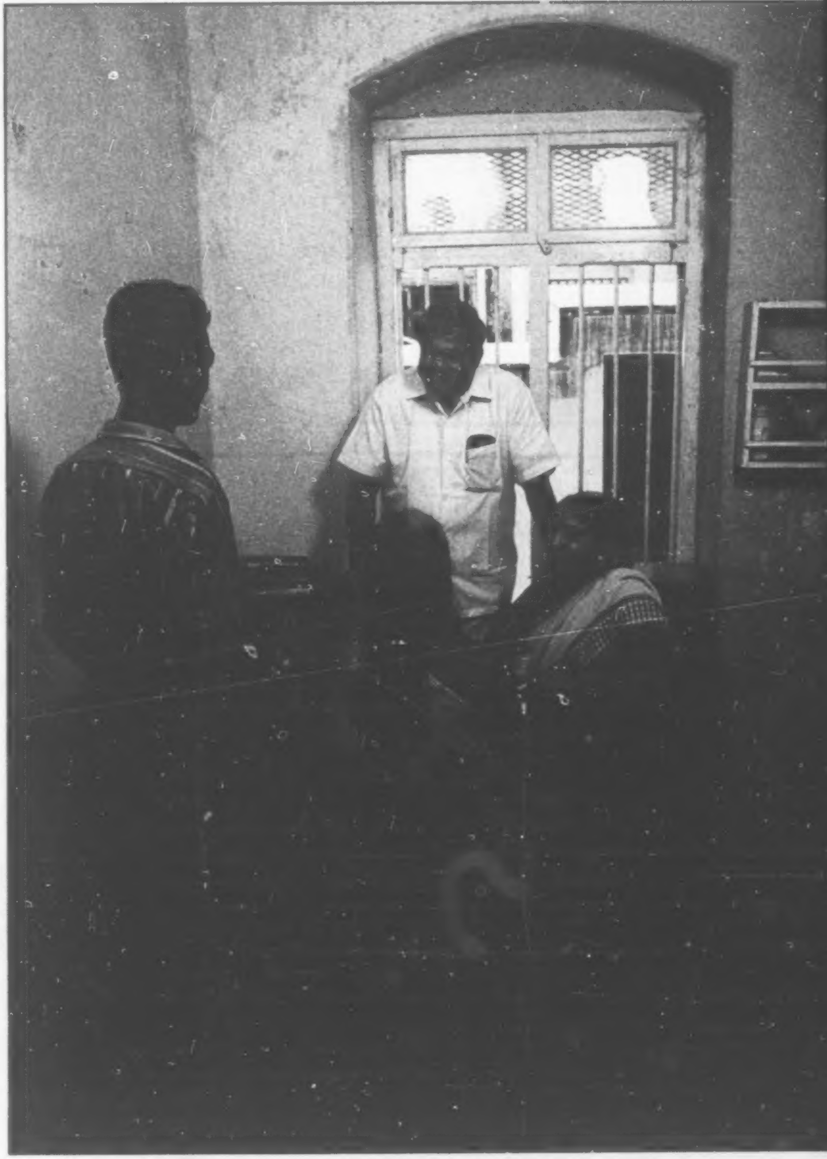
Science & Technology

How about $20,000?

Right now trafficking in organs is punishable by big fines and imprisonment in the U.S. and throughout much of the industrialized world—although commercial transactions in blood are not. But not every country observes the taboo. Circumstantial evidence is accumulating that the Republic of China has turned the transplant business into a source of hard currency. The government, which reportedly has executed 11,000 people in the past decade, prefers using a shot through the head. By so doing, the executioners maximize doctors' chances of retrieving useful organs from the prisoner's body. "Execution by organ donation" is how the ghoulish process is described by Brian Broznick, executive director of the Pittsburgh Organ Transplant Foundation, the U.S.' largest organ procurement organization. The Chinese Embassy in Washington denies that organs are taken from executed prisoners and used for transplantation.

True or not, it is a fact that well-to-do Singaporeans and Hong Kong citizens have traveled to China for transplanted organs, in most cases kidneys.

However distasteful this may sound, a strong case can be made that people should be allowed to sell and buy human organs. The supply continues to fall short of demand. After a period of growth in the early 1980s, the number of donations has leveled off *(see chart, p. 370)*.



In an effort to bolster faltering voluntary donations, Congress passed a law in 1988 requiring hospitals to ask families for permission to donate the organs from their recently deceased family members. Sadly, the law has produced gruesome sessions in which the doctor first breaks the bad news about Uncle Isador, then asks for his organs. "Required request laws are a joke," says Broznick, the Pittsburgh organ executive.

There are some bright spots. A Boston consulting firm, Corporate Decisions, Inc., is working with the regional Kentucky organ procurement organization. The program focuses on hospitals that treat serious head injuries and trains hospital employees in how to deal with the emotional distress of donor families. The consultants sensibly recommend that the request for organ donation come at a time after the family has been informed of the death. The experimental program has helped increase organ donations by 20%—a significant step in the right direction.

But it is by no means certain that voluntary donations will ever provide sufficient supply, given advancements in medical science and in organ transplanting. "I can't see why the only persons not to make a legitimate degree of financial advantage from transplantation are the people who give the organs," says Dr. John Dossetor, a nephrologist (kidney doctor) and a bioethicist in Edmonton, Alberta. "Everybody else is living by it, including myself."

There are any number of ways to compensate donors or their families. The compensation can come in the form of straight cash, or coverage of burial expenses, or through estate tax breaks or college education benefits for survivors.

When people think of organ donations, they usually think of cadaver donations—organs removed from dead bodies. But there is another possibility: live donors. There were 1,822 such donors of kidneys last year in the U.S. Increasingly, there are more live donations of bone marrow and pieces of liver; like blood, liver can regenerate to produce whole organs in both donor and recipient.

In the world's poorer countries, hospitals rarely have the equipment or trained staff to save organs for transplant. Nor can most of these countries afford hemodialysis facilities, thus, in effect, sentencing pa-

Pablo Bartholomew/Gamma-Liaison

Kidney transplant specialist Dr. K.C. Reddy in Madras, India, counseling potential husband-and-wife donors with social worker (l.), and at bedside with prospective transplant recipient and his donor brother

"Either I buy, or they die."

tients with kidney failure to certain death. In the case of kidney failure, the only real solution in many poor countries is to buy a kidney from a living donor, in a straightforward commercial transaction.

Consider the case of A.S. Reddy, a 45-year-old corporate secretary at the publishing house Orient-Longman in Hyderabad, India. His kidneys failed three years ago. None of his siblings was an appropriate donor. Reddy was fortunate to be able to afford private renal dialysis while his doctor, K.C. Reddy (no relation), looked for an appropriate donor. After just three months on dialysis, Reddy was successfully implanted with a kidney from Mrs. Velangani Vitalravi, a 25-year-old garment factory worker and mother of two.

"I had no choice but to pay for a kidney," the recipient says. Surgeon K.C. Reddy phrases his ethical response in this way: "Either I buy, or they die."

What about the lady who parted with one of her two kidneys? Mrs. Vitalravi used her money to buy a piece of land in her home town of Ambattur, just outside Madras, where she plans to build a house one day. Her husband also sold one of his kidneys and used the money to pay off debts and cover his sister's dowry and wedding costs.

Dr. Reddy, who did the operation, was trained in Madras, spent a year at Sinai Hospital in Baltimore, worked for five years in hospitals in England and ultimately returned to India in the early 1980s. His transplant team has performed more than 600 transplants to date—all of which involved kidneys obtained from living donors, 450 of whom were unrelated. Reddy's clinic also handles the financial arrangements, in order to exclude middlemen who might coerce or blackmail donors to sell a kidney.

A complete operation in Dr. Reddy's clinic, including hospital costs, testing and donated organ, costs $5,000 for an Indian recipient, or $8,000 for a foreigner. (In the U.S. a kidney transplant operation typically costs $51,000 and is covered by Medicare.) Reddy pays kidney donors $1,800—about six times the average annual wage in India.

Thus are organs literally human capital. According to Reddy, one kidney donor bought a small farm, another set up shop as a shoemaker, a third set up a poultry business. Will Americans seek kidney transplants in India and other places where the organs are available if the supply bottleneck gets much worse?

"I have no doubt that it will occur," says Dallas nephrologist Alan Hull. "As the waiting list grows, I have to say to patients, 'Look, you have a rare blood type and you're a high reactor. The waiting time for you will be five to ten years, which is longer than your life expectancy, so while I'd love to give you a transplant, I don't think I can offer it to you.' If that person has money and there's a kidney in Bombay—their chances are just under 50-50, let's say—you know what will happen. They're going to buy one."

Adds Hull: "When you bring that

The fetal tissue issue

If a woman has the right to abort her fetus, should she also have the right to sell the valuable fetal tissue?

Although Ronald Reagan's Administration ordered the current ban on federally funded fetal tissue transplant research, this work is advancing in private labs. For example, Hana Biologics in Alameda, Calif. has transplanted cells from fetal pancreases as experimental treatments for diabetes. Others have tried to treat Parkinson's disease using fetal brain cells.

The largest supplier of fetal tissue in the U.S., Exton, Pa.-based International Institute for the Advancement of Medicine, contracts to take fetuses only from clinics where women have signed consent forms for donating the tissue.

But where do ethicists draw a line? Dr. K.M. Lai in Hong Kong says researchers in China report good results treating diabetes using third-trimester fetal pancreases in transplants. Such atrocities are unthinkable in the U.S., where late-pregnancy abortions are illegal, except where the mother's health is at stake.—R.B.

scenario up at medical society meetings, no one wants to talk about it."

Under current U.S. law, a living donor cannot be paid for his or her organ, but can specify who is to receive it. That simply means that most live kidney donors are related to the recipients. Yet doctors will tell you that illegal compensation is sometimes exchanged.

"The fact is that many [living donors] are getting compensated under the table," says Dr. Hull of Dallas. "Suddenly a [donor] gets a new business, or a new house or a new car, just after he's donated to his nephew or some friend. And medicine has trouble with that, because we don't want to know about it." Dr. James Light of Washington, D.C.-based Washington Hospital Center, one of the largest transplant centers in the nation, estimates that in perhaps 15% to 20% of the cases between living related donors, some economic benefit is exchanged.

It's one of the toughest ethical questions in medicine: Doctors want more organ donations, but they don't want to see kidneys bought and sold like cars or sides of beef.

"I would look for ways of legalizing

Frozen storage

It is illegal to sell or buy solid organs, but Joseph Feldschuh, a New York endocrinologist, has been exploiting the commercial possibilities of other human tissues since 1974. His publicly held Daxor, Inc. operates one of the world's largest cryogenic human sperm banks. It also runs a growing business in frozen blood storage (Forbes, *June 1, 1987*).

At Daxor's Idant Laboratories operation in midtown Manhattan, 40,000 units of semen are stored in plastic straws in gleaming round silver tanks cooled by liquid nitrogen at 321 degrees below zero Fahrenheit. Idant claims responsibility for over 15,000 pregnancies.

Mixing up straws can have disastrous consequences, as in the well-publicized case on Long Island in which a white woman who wished to be inseminated with her husband's sperm claims she was instead accidentally inseminated with the sperm of a black man. Daxor had stored the husband's sperm and shipped it to the Long Island fertility doctor, who performed the insemination. Both the doctor and Daxor are named in a lawsuit charging both parties with negligence. Daxor, however, disclaims any responsibility.

About 75% of Idant's sperm is stored by donors for themselves, usually men who are about to be rendered infertile by chemotherapy, radiation therapy or a vasectomy. These men pay an initial $90 processing fee and a yearly storage fee of $24 per unit.

The other 25% is purchased at $50 per specimen from young men, mostly college educated, always under 40, who are put through a rigorous screening process. One donor says he made $3,400 last year.

A couple seeking artificial insemination pays an examination fee of $285 and then a $100 insemination fee per unit used. Successful insemination can take as many as a dozen units, so the fees can add up.

Several years ago Feldschuh's father contracted hepatitis from a blood transfusion and died after his liver was destroyed. That tragic experience prompted Feldschuh to launch a new blood banking service in 1985 to freeze and store clients' blood for their own future use. Idant charges an initial $85 fee for collecting and testing blood, plus annual storage fees of $96 and $150, respectively, for the plasma and the red blood cells. There is also a $65 processing fee when the blood is used, which can be up to ten years later.

Financially, Daxor has seen better days. Fears of an AIDS-infected blood supply in the mid-1980s propelled Daxor's stock to a high of 37 in 1987. Last year it lost $100,000 on revenues from operations of just $2.2 million. The stock recently hit its alltime low, trading at 2¾ on the American Stock Exchange. Daxor's market value of $14 million is less than its tangible book value. Why? One reason: Feldschuh is going through a messy divorce, and his wife, who owns 10% of the shares, might dump her stock on the market.—R.B.

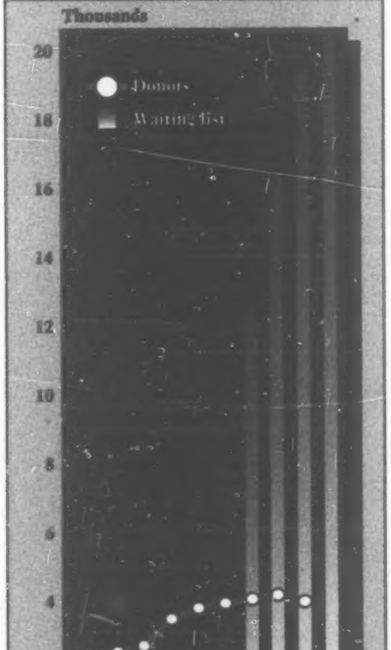
Frederick Charles

Daxor's Feldschuh and associate, opening semen freezer organ sales, and knowing all that I know about our society, I'd do it with oversight and regulation, so that nobody would worry about it," says H. Tristam Engelhardt Jr., a bioethicist and physician at Baylor College of Medicine in Houston.

Current law says that no money can change hands for an organ. Most living donors give to a blood relative, where the chances are greatest of a good match. Occasionally, however, people who are not blood related—spouses, friends, lovers—are capable of donating. But before they can, doctors want to satisfy themselves that the donor's motive is purely altruistic. Dr. Ronald Ferguson, a nephrologist at Ohio State University, says he looks for "some sort of emotional tie to make sure that the kidney is given in the right spirit."

Supply and demand

The demand for organs for transplant patients continues to grow rapidly, while the supply has been stuck at around 4,000 donors for the past four years. Each donor can supply two kidneys, a heart, liver, lungs and pancreas. Since the inception of the national transplant waiting list in October 1987, the number of patients waiting has increased by 68%.



Sources: Battelle Seattle Research; United Network for Organ Sharing.

The whole issue is so wrapped in emotion that it is difficult to get even rational discussion. When Congress passed the National Organ Transplant Act in 1984, it made the buying and selling of organs an illegal act punishable by fines of up to $50,000 or five years in prison, or both. Reports of foreigners buying their way to the top of U.S. transplant lists helped mobilize support for the legislation and won a 1986 Pulitzer Prize for the *Pittsburgh Press.*

In Britain recently, Dr. Maurice Bewick, a prominent kidney transplant surgeon, was suspended from private practice for two years by the General Medical Council after he transplanted a kidney into a Turkish man. The patient had paid $4,000 to the donor, another Turk, who had accompanied the man on a trip to London for the operation. At the time of the operation, the transaction was not illegal in Britain, although the British Transplantation Society's guidelines forbade such deals. A colleague also lost his license. Soon after the case arose in January 1989, the British Parliament outlawed the purchase of organs for transplantation.

At the root of the fundamental questions posed by transplants are the great leaps forward in the area of drugs that reduce the chances that the recipient's body will reject a donated organ. Thus donors and recipients need not worry so much about matching anymore.

During rejection, the human immune system tries to destroy transplanted organs as though they were invading disease organisms. Two powerful new immunosuppressant drugs not yet on the market are Syntex Corp.'s RS 61443, and FK 506, developed by Japan's Fujisawa Pharmaceutical. FK 506 is 50 to 100 times more potent in controlling transplant tissue rejection than Sandoz Ltd.'s cyclosporine, the immunosuppressant whose approval in 1983 ushered in the modern era of transplantation.

Transplant patients must take immunosuppressant drugs like cyclosporine for the rest of their lives. A year's supply of cyclosporine A costs between $3,000 and $7,000. Eventually, the experimental drugs are expected both to lower the cost of cyclosporine and to increase further the likelihood of a transplant's success.

Waiting for an organ

The good news is that 1,673 heart transplants were performed last year; the bad news is that another 1,598 patients are still waiting for a heart. While the supply of donors remains relatively constant, the waiting lists for major transplantable organs keep growing. A lot of potential recipients will die before they get to the operating room.

	Waiting list 4/30/90	% increase since Oct 1987	Transplants in 1989
Kidney	17,163	56%	8,886
Heart	1,598	167	1,673
Liver	975	137	2,160
Lung	138	885	89
Pancreas	335	885	412
Heart/lung	257	84	70

Source: United Network for Organ Sharing.

Technology is enabling doctors to keep organs longer outside the human body. A new preservation solution, Viaspan, developed by Dr. Folkert Belzer and James Southard at the University of Wisconsin and now marketed by Du Pont, will let a donated organ be shipped safely for longer distances than ever before. Previously, livers could be preserved for only 8 hours; now they can be preserved for up to 32 hours. Clinical trials indicate that hearts can be preserved 12 hours instead of 4. And with kidneys, Viaspan has shown a 30% reduction in the need for dialysis after a transplant.

One of the most recent examples of the extraordinarily difficult ethical questions raised by advances in transplant technology is the case of baby Marissa Ayala, who was conceived expressly to provide life-saving bone marrow for her sister Anissa. Anissa, 17, suffers from leukemia and needs a marrow transplant to survive. Unfortunately, no suitable donors have been found. Since a sibling's marrow has a one-in-four chance of matching Anissa's, her 43-year-old mother Mary Ayala decided to become pregnant. Last month Marissa was born, and her tissue does match. Once the baby is almost six months old, she will be able to donate marrow and possibly save her sister's life. Will anybody ask the baby?

The Ayala case is not unique. Bioethicist Arthur Caplan of the Uni-

Behind the "baby parts" story

Despite glasnost, the Soviets still indulge in the occasional disinformation campaign against the U.S. Perhaps none is quite so bizarre as the many allegations in *Pravda, Izvestia* and Tass news releases that Americans are importing Latin American children and using their body parts for organ transplants.

Charges of trafficking in "baby parts" first appeared in Honduras in January 1987. Since then the story has been reported by newspapers, radio and television in more than 50 countries. The original source of the story was Leonardo Villeda Bermudez, former Secretary General of the Honduran Committee for Social Welfare. On Honduran television he said: "Several years ago, some social workers told me that foreign parents were coming to adopt children. . . . And what would happen? These children would be taken to be sold for parts."

When questioned by other reporters later, however, Villeda Bermudez repudiated his statements, saying that he had merely heard unconfirmed rumors. Officials of the Honduran Social Welfare Committee emphatically denied that any trafficking in babies for organ transplants had occurred.

But the following April, *Pravda* revived the story that thousands of Honduran children had been sent to the U.S. to be used as organ donors for children from rich families. *Pravda*'s story was picked up by several Indian newspapers and by the French Communist Party's *L'Humanité* under the headline: "Child's Heart for Sale: Children in Honduras, Guatemala and El Salvador Abducted and Sold to Secret Laboratories in the United States."

Another story, published in July in *Izvestia*, claimed that Guatemalan children were being butchered by American doctors "for saving U.S. children." The story was picked up in the media in Switzerland, the Dominican Republic, the Netherlands and Canada.

By mid-1987, leftist members of the European Parliament were questioning the European Community Commission about whether Third World children had been used as sources of replacement organs.

The State Department, the FBI, United Network for Organ Sharing, the Surgeon General and a variety of foreign organizations have all investigated these rumors and found nothing to support them. Why, then, is the "baby parts" story so widely reported? Todd Leventhal, the policy officer on Soviet Disinformation in the U.S. Information Agency, hazards a guess: "Advances in organ transplantation combined with social anxieties about transplantation contribute to the public's receptivity to this myth."—**R.B.**

versity of Minnesota says he knows of at least 30 cases of children conceived to supply marrow to their siblings.

Why is it perfectly legal to sell so-called soft tissues like blood and semen in the U.S. *(see box, p. 368)*, but illegal to sell fetal tissue, bone marrow, corneas or solid organs outright for transplant?

As is usual with difficult moral questions, decision making is passing by default to the courts. In 1988 the California Court of Appeals ruled that a patient has a property interest in his cells. It did not rule on whether the patient was entitled to compensation and it refrained from legalizing free trade in body parts.

The patient, John Moore, had his malignant spleen removed. His physician at the University of California at Los Angeles found that cells from his spleen produced a protein that was effective in fighting a kind of leukemia. Moore asserted that the doctor profited by selling a cell line cultured from Moore's cells to Genetics Institute, a Boston biotech firm, and its partner, Sandoz. Genetics Institute appealed the appeals court ruling. A hearing was held last month before the California Supreme Court, and the case is still pending.

Should transplantable hearts, kidneys, bone marrow and other organs be treated by the law similarly to the way blood is treated? Despite the extraordinary success of the Red Cross in producing voluntary blood donations, it is easy to forget that there is still a successful—and safe—commercial plasma industry in this country. Plasma is also a source of export income. The U.S. supplies 60% of the world's $2-billion-per-year plasma market. Countries relying solely on voluntary blood collections, such as Britain and Japan, must import commercial American plasma in order to overcome their shortages.

Increasing the supply of blood plasma through a combination of voluntary and commercial means may point the way for increasing the supply of transplant organs. The current system, relying as it does exclusively on altruism, is unable to end the shortage. It is time for the transplantation community, policymakers and the public at large to consider seriously proposals that will invest private property rights in cadaver donors' families and, in the case of bone marrow and perhaps livers and kidneys, in the donors themselves.

Dr. J. Wesley Alexander, a transplant surgeon who chairs the United Network for Organ Sharing donations committee, says, "I think that when push comes to shove, the public has to make a decision as to whether they would rather see people die on dialysis while leading a fairly unsatisfactory life . . . or to allow the buying and selling of human organs." It is an excruciatingly difficult decision, like most thrown up by modern medicine's miracle workers. ■

Pam Francis

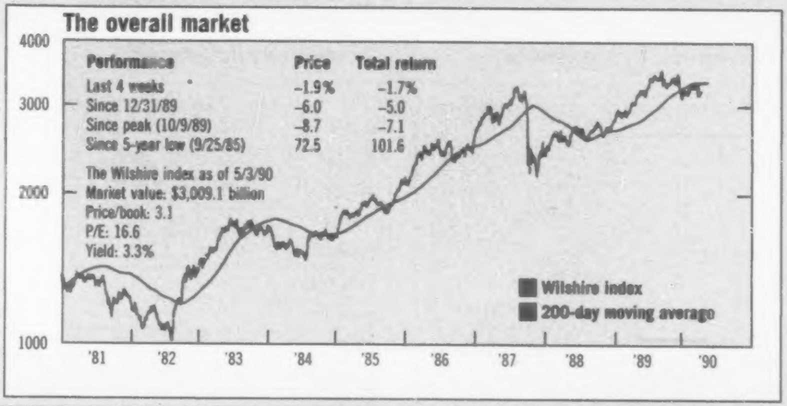
Baylor's H. Tristam Engelhardt Jr.
Legalize—and regulate—organ sales.

The Forbes Wall Street Review

Edited by Eric S. Hardy

Capital goods stocks will lead the market in the early 1990s, according to Robert Farrell, Merrill Lynch's chief market analyst. That's a change from the previous decade, in which consumer and finance issues were strong. Farrell believes there will be a fundamental, long-term shift in spending patterns that will benefit such areas as the energy industry, capital goods manufacturers and selected technology firms that have a special niche in their market. Nevertheless, he's holding off on buying such issues because he is pessimistic about the market's short-term prospects. He thinks that another downturn similar to or even more severe than January's correction is coming. Farrell cites the recent excitement about the $3.2 billion net inflow into equity mutual funds in March. "This may be a bad omen. We were seeing the same kinds of numbers just before the market topped out back in 1987," he says.

Stocks posted moderate losses in the last two weeks. The Wilshire index of 6,000 securities has a total return (capital appreciation and depreciation, plus dividends) of –5% so far this year. Average daily trading volume on the New York Stock Exchange declined for the third straight month in April, to just 140 million shares. About the most excitement in the last two weeks came from American General, which rose 26% after its board put the company up for sale.


The overall market

Performance	Price	Total return
Last 4 weeks	–1.9%	–1.7%
Since 12/31/89	–6.0	–5.0
Since peak (10/9/89)	–8.7	–7.1
Since 5-year low (9/25/85)	72.5	101.6

The Wilshire index as of 5/3/90
Market value: $3,009.1 billion
Price/book: 3.1
P/E: 16.6
Yield: 3.3%

The Best Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
American General	47⅜	26%	14	8,350	2.2
Adolph Coors	22⅝	21	16	3,198	4.0
Storage Technology	26¼	20	19	3,345	1.7
Norton	88⅞	19	24	10,440	2.3
US HealthCare Systems	13⅛	17	23	4,664	1.4

The Worst Performing Stocks

Company	Price	2-week change	P/E	Avg vol (thou)[2]	Rel vol[3]
Handleman	13¾	–24%	10	1,665	2.3
DSC Communications	10⅞	–22	13	7,915	1.9
Echo Bay Mines	12⅛	–20	NM	3,621	0.8
Black & Decker	13½	–19	NA	4,859	1.6
Illinois Power	15⅝	–17	NM	4,888	3.0

Closeup on the Market

Index or investment	Price	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,215.27	–1.9%
Wilshire index 6,000 stocks, equal weighted	20.87	–0.6
Dow Jones Industrials 30 stocks, divisor-adjusted price average	2,696.17	–0.6
S&P 500 Capitalization weighted cross section, major stocks	335.57	–0.7
NYSE Capitalization weighted, all listed common stocks	183.57	–0.9
Amex Capitalization weighted total return: stocks, warrants	344.97	–0.9
Nasdaq Capitalization weighted, all issues except warrants	425.44	–0.8
Amex international market index Capitalization weighted, 50 largest ADRs	293.74	–1.1

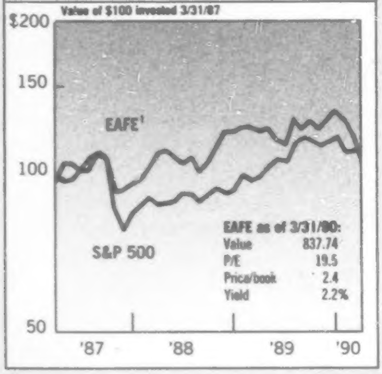
Index or investment	Price or rate	2-week change
Europe, Australia, New Zealand and Far East[4] (EAFE) a dollar denominated capitalization weighted index	849.10	–0.3%
Institutional[5] Approximately 200 stocks with high institutional ownership	110.98	0.5
Individual[5] Approximately 200 stocks with low institutional ownership	101.25	–0.2
Russell 2000 index 2000 stocks with small market values, capitalization weighted	159.72	–1.9
Gold[6] (composite quote of 6 major dealers)	$370.30	–1.6
Yen[6] (per $U.S.)	158.15	0.6
Commodity index[6] (CRB futures index, 1967 = 100)	245.89	1.2
Oil[6] (W Texas intermediate)	$18.00	–0.3
T bills[6] (90 days)	7.84%	8 basis points[7]
Broker loan rate[6]	9.25%	unchanged

Note: All data for periods ending 5/3/90. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. Stocks listed above have market capitalizations of $500 million or more. [1] Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2] Average daily volume over a 2-week period. [3] Average daily volume over the last 2 weeks, divided by the average daily volume over the preceding 3 months. [4] Morgan Stanley Capital International Perspective. [5] For period ending 5/4/90. A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [6] Knight-Ridder Financial Information. [7] A basis point is equal to one-hundredth of a percentage point. NA: Not applicable. NM: Not meaningful.

World Markets Review

Edited by Gustavo Lombo

Foreign vs. U.S. markets



Developed markets

Market	Total return[2] 3 months	12 months	P/E
Austria	46%	162%	64
Norway	20	40	15
Germany	11	73	19
Denmark	8	57	16
Hong Kong	7	3	10
Japan	–32	–30	39
Spain	–16	–6	11
New Zealand	–15	–8	13
Australia	–10	4	11
Sweden	–9	9	14

Emerging markets

Region	Total return[2] 3 months	12 months	P/E
Asia	3%	26%	NA
Latin America	–19	5	NA

Country	Total return[2] 3 months	12 months	P/E
Venezuela	56%	11%	10
Greece	29	158	32
Turkey	24	NM	25
Brazil	–50	–50	6
Argentina	–37	100	7
Colombia	–16	–10	9

Japan's market collapse is very visible in the chart above, which shows the performance of foreign stocks during the first quarter. The Nikkei index fell 23% in yen and 30% in dollars in the first three months of 1990. This is about $1.2 trillion, nearly the combined market capitalization of British and German stocks. (The Nikkei leveled off in April, with a 0.4% drop to 29,855.) The Japanese market carries almost a fourth of the weighting in Morgan Stanley's EAFE indicator, a capitalization-weighted index of 1,130 companies in Europe, Australia, New Zealand and the Far East. The EAFE shows a first-quarter loss of 20% in dollar terms. By comparison, the Standard & Poor's 500 fell 4%.

The tiny Austrian market, which should benefit from the reconstruction of Eastern Europe, had a three-month total return (in dollars) of 46%. In Latin America, Venezuelan stocks rebounded sharply in the first three months. But Brazil, the largest market in this region ($27 billion in capitalization), had a total return of –50%.

Who's Hot

Company/country	Business	Price	3-month price change	P/E
Austrian Airlines/Austria	airlines	438⅞	79%	26
Preussag/Germany	multicompany	288	58	35
Hochtief/Germany	construction	839	38	60
Veitscher Magnesit/Austria	metals	122¼	30	43
Nuovo Pignone/Italy	machinery	5½	24	24

Who's Not

Company/country	Business	Price	3-month price change	P/E
Nissho Iwai/Japan	trading	4	–55%	32
Nippon Oil/Japan	energy	6⅛	–49	45
Calor Group/UK	energy	4¼	–37	20
Banco E de Credito/Spain	banking	30	–34	13
Volvo/Sweden	automotive	9⅞	–19	6

Cheap Foreign Stocks

Company/country	Business	Price	Earnings	P/E
Peugeot SA/France	automotive	148	$32.10	5
Solvay/Belgium	chemicals	308½	63.60	6
Hunter Douglas/Netherlands	multicompany	50⅝	6.00	8
Valeo/France	ind components	117¼	13.40	9
Ver Machine/Netherlands	machinery	26	2.19	12

High-Yielding Foreign Stocks

Company/country	Business	Price	Yield	P/E
Gen Property Trust/Australia	real estate	2	10.1%	11
Unerg/Belgium	utility	71⅛	8.5	8
Canadian Pac Forest/Canada	bldg materials	30¼	7.4	7
Algemene Bank/Netherlands	banking	20¾	7.3	8
Hong Kong Elec/Hong Kong	utility	1¼	6.7	10

Note: All data for period ending 3/31/90. Selected stocks have a market capitalization of at least $300 million. [1] EAFE is a price return index of European, Australian, New Zealand and Far Eastern stocks converted into U.S. dollars. [2] Performance numbers reflect both local price change and currency fluctuation. Dividends are reinvested after subtracting foreign withholding tax. NA: Not applicable. NM: Not meaningful. Principal source: Morgan Stanley Capital International Perspective. Emerging markets data provided by International Finance Corporation.